



**Texas Wine and Grape Growers Association
Board of Directors Meeting
Friday, June 11, 2021**

**In Person at the Grapevine Convention and Visitors Bureau –
636 S. Main Street, Grapevine, TX 76050**

Join Zoom Meeting <https://zoom.us/j/97361113704>

Audio Only: (346) 248-7799, 97361113704#

I. Call to Order

Karen Bonarrigo

The meeting was called to order at 10:40 a.m.

II. Roll Call of Board Members

Karen Bonarrigo

16 Board Members present, one Board Member was not present but provided a proxy, and one Board Member was not present. Quorum met.

III. Review and Approval of March 4, 2021 Board Minutes

Karen Bonarrigo

The March 4, 2021 Board Minutes were distributed by email and posted on the TWGGA website. Julie Herbort made a motion to approve the minutes as distributed. Bob Landon seconded the motion. **Motion passed.**

IV. Treasurer's Report

Julie Herbort

Financial records for the Association covering the period of January through April 2021 along with financials for the Virtual Conference through May 2021 were distributed by email and posted on the TWGGA website. The financials were reviewed in detail. Key highlight included:

- Revenue was down largely because of not having an in-person Annual Conference in 2021 due to COVID
- Membership dues are up compared to budget
- The budget is very lean with a lot of expenses removed compared to last year due to revenue reductions during COVID
- Paycheck Protection Program (PPP) loan for \$30,800 was approved and the intent is to apply for forgiveness by end of year 2021
- Will need to determine additional revenue streams in order to keep the organization on track, expand services, and develop programs in the future
- Virtual Conference financials are not fully complete, but was successful in producing approximately \$60,000 in revenue and \$17,000 in net profit.
- Additional discussion occurred regarding the Virtual Conference structure and sponsorships as compared to efforts made for in-person conferences (past and future). The 2022 annual conference needs to be budgeted out after this meeting.
- Conference Direct platform will remain available until the end of 2021
- Financial estimates for Grape Camp and the Lone Star International Wine Competition will be forthcoming.

- Changes to QuickBooks Online and BillPay Online had positive impacts

Patrick Whitehead made a motion to approve the Treasurer’s Report as distributed. John Cassaro seconded the motion. **Motion passed.**

V. **President’s Report**

Roxanne Myers

Roxanne Myers, President, reiterated the challenges of 2020 and that many individuals have worked tirelessly to get TWGGA where it is today. Staffing was reduced down to one employee (Sabrina Houser Amaya) to maintain the office operations, bottom line management, advocacy, marketing, and membership. Staffing now increased to two employees.

Focus was directed on codifying in writing the value of TWGGA to its members, which has started through email, social, and drafting of materials to be used in the future.

The Education and Conference Committee, chaired by Meredith Eaton, pushed out regional meetings and optimization of the Conference Direct platform.

Events like Grape Day were successful with a good turnout. Efforts will now shift towards the 2022 Annual Conference. Contract renegotiations at the conference hotels was initiated.

Legislative efforts led by Kyle Frazier and the Legislative Committee went well. Currently meeting to discuss strategy for the interim time before the 2023 Legislative Session.

The Strategic Vision Committee was reactivated, led by Glenna Yates. Extensive notes from the previous Vision Committee will be used to assist in putting together ideas on future calendars, programs, and staffing models. Request was made for the Vision Committee to reexamine the expectations of the Texas Wine Foundation. Additional revenue streams will be explored, including changes to dues and events since those are primary revenue streams currently. Grants also could be pursued.

VI. **Invited Guests**

Paul W. (PW) McCallum, Executive Director Grapevine Convention and Visitors Bureau

PW McCallum welcomed the Board to Grapevine and gave an in-depth historical timeline of the City of Grapevine’s connection with the Texas Wine Industry and TWGGA. Key events and notables included:

- 1987 – First Grapefest and People’s Choice Wine Tasting
- 1989 – Texas Wine Review Dinner
- 1992 – TWGGA’s first permanent home using the board room at the Wallis Hotel building in Grapevine
- 2010 – TWGGA moved to a standalone headquarters at the Dooley House in Grapevine (formerly known as the old Station Master’s House)
- 2013 – Establishment of the Tall in Texas award
- City of Grapevine continues to be an incubator for TWGGA for over 30 years
- Grapevine has had extensive involvement in TWGGA Committees, TWGGA Board, legislative efforts, marketing campaigns, and collaborations with the Texas Department of Agriculture starting back as far as the 1980s

Bentley Nettles, Executive Director and Jared Staples, Director of External Affairs at the Texas Alcoholic Beverage Commission (TABC)

A full TABC update was presented over Zoom. Key points included:

- There are now five TABC Commissioners
- Delays on license and registration approvals mainly due to short staffing due to COVID impact
- Sunset Commission review of TABC resulted in license restricting and restructuring that go into effect September 1, 2021. Goal was to streamline licenses so that a business only needs one to operate. Went from 75 licenses to 37, and new fee structures will consider consolidated surcharges and level of regulatory effort needed as well as leveling out the fees between like businesses.
- New winery fee will be closer to the brewery and distillery fees
- New AIMS program online goes into effect September 1, 2021 which will allow for online filings and status tracking of permits, renewals, taxes, and label submissions. Onboarding training and presentations on how to use the new system will roll out starting in July 2021.
- Engagement in TABC Stakeholder Meetings is highly encouraged to provide feedback

Dr. Justin Scheiner, Assistant Professor and Extension Viticulture Specialist, Department of Horticulture Sciences, Texas A&M University

Dr. Scheiner presented a printed handout entitled “June 2021 Wine and Grape Industry Update.”

Key points included:

- Industry growth continues to rise with 698 active TABC G-Winery Permits in 126 counties. Texas ranks third in the nation with 809 winery permits per TTB.
- USDA-NASS reported that there were 5,020 bearing acres (5,830 total) in 2019 which was up 11% from 2017. A 2021 USDA-NASS grape acreage and variety survey is underway.
- Winter injury survey conducted after winter storm (Uri) in February 2021 impacted vineyards statewide and brought record low temperatures. Vineyards in the far south were at or near bud break, while vineyards in the north and west were still dormant. Impact was statewide but very site and variety dependent.
- A&M AgriLife survey in May 2021 provided preliminary damage assessment. Second survey will be sent out in Fall 2021 after full assessment can be made. Data showed winter injury in 50% of responses (total of 97 growers responded representing 55 grape varieties) and high severity of injury was reported in 14% of responses. Highest frequency of damage was in Blanc Du Bois.
- Accidental drift from broadleaf herbicides, dicamba and 2,4-D remains a serious threat to Texas vineyards. A&M AgriLife survey in 2019 reported 54 incidents with large majority in the Texas High Plains. New survey underway in 2021, and research started by AgriLife to determine the impact of dicamba exposure on grapevine cold hardiness.
- 57 Texas High Plains grape growers filed a lawsuit seeking damages from Bayer-Monsanto and BASF in June 2021
- Late spring freeze in April 2021 across the state was the latest spring freeze event ever in North Texas causing significant crop loss in those areas and sporadic damage elsewhere in the state. Spring weather was wet and cool with above average rainfall resulting in high disease pressure and large canopies.
- Anticipating lower than average yields due to the combination of winter injury, herbicide damage, and late spring freeze

Dr. Ed Hellman, Professor of Viticulture and Enology, Texas Tech University at Fredericksburg

Dr. Hellman gave an update on Texas Tech University (TTU) Viticulture and Enology Programs.

Key points included:

- Current programs included undergraduate degree in viticulture and enology, viticulture certificate, winemaking certificate, and Wine and Spirit Education Trust (WSET) Levels 1 and 2
- Currently 22 students in the undergraduate program with two graduates this year
- Next viticulture certificate cohort starts in September 2021
- Winemaking certificate is ongoing and successful
- WSET previously offered in Fredericksburg and will offer again soon
- TTU has a vineyard app that is free to download
- Funding derived through SB880/881, which was recently reduced, and grants. Will need SB880/881 funding reestablished when it expires in the next Legislative Session. Kyle Frazier provided historical context of the bill.

VII. Regional Meeting Reports

Region 1 – High Plains – Kirk Williams / Bill Day

Kirk Williams recounted recent negative weather events including October 2019 freeze, frost in April 2021, low rainfall, and hail. He noted that dicamba impacted almost all vineyards. Overall damage is requiring vineyard owners to take out vineyard trunks and replant. He indicated that wineries need to work with contracted vineyards to assist them in these harder years and expanded insurance programs should be explored. Aquifer recharge is not happening as quickly as needed in some regions.

Patrick Whitehead inquired about the pending drift lawsuit which was discussed in detail. Previous efforts through legislative action in previous sessions and the TWGGA Drift Committee's previous efforts were also discussed. Reestablishment the TWGGA Drift Committee was recommended. Efforts by TWGGA to support the growers during the lawsuit will continue, and Roxanne Myers will reach out to the Plaintiffs' attorney to explore best methods to put out a message of support.

Region 2 – North Texas – John Matthews / Meredith Eaton

Communication to Region 2 members initiated after lower-than-anticipated participation the most recent Regional Meeting. Received more responses than expected from members that want to be engaged and involved. Concern areas include TABC fee increases, administrative communication between TWGGA and members, and needs for bulk wine.

Recommended that TWGGA send a concise summary on the TABC fee increases to provide clarity, and that TWGGA ensure timely communication with members as much as possible even when short-staffed to maintain open lines of communication.

Region 3 – Gulf Coast – Ryan Levy / James Kasparek / Tiffany Haak

No report

Region 4 – West Texas – Kalyn Hodges / Dustin Walker

Dustin Walker reported that land, water, and weather issues were less in West Texas. Some freeze damage and no drift issues in the handful of vineyards in the region, and bloom looked good for crop load. Additional vineyard plantings this year at multiple sites.

Kalyn Hodges noted that wineries in the region had large revenue cuts during and after COVID. She indicated that benefits of TWGGA need to be better communicated to members and potential

members. 2,4-D impact from aerial spray seen in some sites, but biggest issue for the region is farming inexperience. She highlighted that the region is focused on being terroir driven.

Region 5 – Hill Country – Bret Perrnoud / Jason Englert

Jason Englert reported low attendance at the recent Regional Meeting, but highlighted that people are back to traveling and tourism activities in the Hill Country which is beneficial to members. There is some drift impact but from unknown sources. Supply chain concerns are critical with port backups, manufacturing delays, and lower grape supply. Property values are increasing dramatically in the region.

Bret Perrnoud reiterated supply chain issues and staffing shortages. Recommended that TWGGA restart association conversations and produce list of resources available to members and new wineries/vineyards to assist them.

Lunch break started at approximately 1:10 pm. Meeting resumed at approximately 1:40 pm.

VIII. Committee Reports

a. Texas Wine Foundation – Scholarship

Patrick Whitehead, President of the Texas Wine Foundation, went over the structure and Texas Wine Foundation Board Members. Roxanne Myers will be President next year. Scholarship efforts through the Foundation resulted in two students receiving funds at Grape Day. Additional fundraising efforts occur at the TWGGA Annual Conference. The Foundation brought in stakeholder funds to put together the Texas Wines, Texas Bold marketing campaign with Three Headed Monster. Next meeting will be over the summer to discuss vision, future goals, and ways to support the industry.

b. Texas Wine Foundation – Texas Wines, Texas Bold Campaign

Sabrina Houser Amaya went over the Texas Wines, Texas Bold marketing campaign including history on how it started, funding partners, ways members can use the videos and marketing resources, and current view and click through data.

c. Strategic Planning Committee

Glena Yates reported that the Strategic Planning Committee met twice so far. Next meeting will be in Fredericksburg, and the goal is to have additional items to present at the November 2021 TWGGA Board meeting. Three tenets are Advocacy, Education, and Marketing. Will need staff support for any strategy proposal, so staff structure and revenue sources will need to be addressed at that time.

d. Education and Conference Committee

Meredith Eaton and Dr. Justin Scheiner are co-chairs of the Education and Conference Committee. Meredith Eaton went over the Committee roster and reported that the Committee met three times over Zoom. Next meeting is June 23, 2021. Grape Camp will be at a new location in Dripping Springs this year, and the Annual Conference will be held in person in February 2022.

Regional Meetings are increasing outreach and will continue through the end of the year. Providing content that is relevant to all five regions is crucial and feedback is welcomed on future topics and issues. Electronic educational elements are allowing for better access to members and their staff, and they can access information more regularly.

e. Legislative Committee

Kyle Frazier presented a printed handout entitled “Post Session Legislative Report for TWGGA.” Key points included:

- 87th Legislative Session ended in May 2021 but will probably go into a Special Session. Not anticipating the Special Session will impact TWGGA except for redistricting which will change Legislative representation
- Went over numerous specific wine-related bills noted on the handout in detail
- The Legislative Committee met every two weeks to go through what was happening during the session which was beneficial
- TWGGA needs to work on energizing grassroots efforts and potentially look into a political action committee (PAC) in the future
- Historical context of previous legislative efforts and issues discussed in detail

IX. TWGGA Administrative and Membership Update

Sabrina Houser Amaya

a. Lone Star International Wine Competition

October 6-7, 2021 at the Grapevine Convention and Visitors Bureau in Grapevine

Goal is to have 900 entries and will be doing a call for wines in approximately 30 days. Had 725 entries last year. Changes to the competition recommended for this year based on prior execution and conversations with other wine competitions. Will be moving to a more quantitative scoring system, lead judge structure, and increased marketing and promotion of winners. Winners from the 2020 and 2021 competitions will be featured at the 2022 Annual Conference.

b. Grape Camp

November 9-10, 2021 in Dripping Springs

Awarded Texas Department of Agriculture (TDA) grant in the amount of \$5,000. Will look into larger TDA grant next year along with potential hotel occupancy tax (HOT) grants with Dripping Springs. Location of Grape Camp moved to Dripping Springs Ranch Park Event Center this year which has expanded areas to use, advanced accommodations and services, and increased technological resources. Hotel block information will be launched soon to members. TWGGA Board Meeting will be held at the same location.

c. 2022 Annual Conference and Trade Show

February 17-19, 2022 at the Embassy Suites and Denton Convention Center in Denton

Location was secured in prior years for 2022 and 2024. Currently negotiating contract fees, with specific emphasis on reducing food and beverage charges, to determine final costs. Educational programming being established by the Education and Conference Committee. Continuing to work on sponsorship opportunities for vendors and ways to increase profitability. Future conference locations in 2023 and 2025 to be determined.

d. Membership Count and Dues

Data presented from Member Clicks showed increases in lapsed memberships due to reduced vendor memberships without a 2021 Annual Conference and reduced winery and vineyard memberships because of COVID hardships. Member dues revenue close to last year. PPP funds will assist in additional staffing to be allocated towards increased membership outreach.

Discussion on ways to increase memberships and membership engagement. Recommended that TWGGA create an improved onboarding packet to new members, notate membership benefits more prominently, and highlighting new members and renewing members more often.

e. Logo Artwork / Branding

Portejas and 100% Texas Grown emblem branding are programs that are not presented well on the website and not monetized fully. Texas Wines, Texas Bold site is more user friendly and could be used as a model to represent the Portejas and 100% Texas Grown emblem programs in the future.

X. Old Business

It was recognized for the record that it was Monty Dixon's 66th TWGGA meeting to attend

XI. New Business

a. Response to TABC Regarding Fee Increases

Roxanne Myers and Kyle Frazier reported that the comment period is currently open regarding the TABC fee increases. Kyle Frazier drafted a response for review but requested additional feedback. Discussion occurred including overall impact estimates on the industry, potential relief efforts for smaller producers, and tiered fee options.

b. Membership Dues Review

Roxanne Myers and Julie Herbort reported that 40% of TWGGA expenses are covered by membership dues, and they proposed that the membership structure and dues needed to be reevaluated to cover a larger portion of regular operating expenses. Small membership fee increases were implemented within the last few years but made a modest impact. Lean operation efforts implemented since COVID started, other state organization examples, membership level revisions and reassignments, financial impact on members, and staffing model options were discussed in detail.

Revised recommendations to be compiled and presented at a future meeting.

c. Recommended Changes to Portejas Label Use Program

No discussion

d. TWGGA Staffing

No discussion

XII. Announcements

No report

XIII. Next Meetings

Board Meeting and Regional Meetings will be November 8, 2021

XIV. Motion to Adjourn

Motion to adjourn passed at 4:37 pm

Respectfully submitted by Karen Bonarrigo, TWGGA Secretary