

Allan Hancock College

Viticulture & Enology Foundation



AGENDA

Board of Directors

Quarterly Meeting

March 27, 2019

3:30 PM

Captain's Room
Building B
Room 102



Allan Hancock College Viticulture & Enology Foundation



AGENDA

Board of Directors

Quarterly Meeting

Wednesday, March 27, 2019 – 3:30 PM

Captain's Room 102, Building B

	<u>Page</u>	<u>Est. Time</u>
1. Call to Order		3:30 PM
2. Public Comment		
<p>The section of the agenda is intended for members of the public to address the board on items involving the foundation. Public comment not pertaining to specific agenda items is welcome under public comment. <i>Please note that board members are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda.</i> Testimony on specific agenda items will be welcome during consideration of the item by the board. When public testimony is completed regarding a specific agenda item, discussion is then confined to board members only. This practice is in accordance with laws governing board of directors public meetings.</p>		
3. Action Items		3:30 PM
3.A. Approval of December 12, 2018 Meeting Minutes	3	
<p>A recommendation that the board approve the minutes from the December 12, 2018 meeting.</p>		
3.B. Presque'ile Winery Benefit Label	6	
<p>A recommendation that the board approve the recommended label for the fundraiser at Presque'ile Winery.</p>		
3.C. Acceptance of Donations	7	
<p>A recommendation that the board accept the donations received.</p>		
4. Information Items		4:00 PM
4.A. Winery Planning	8	
<p>A report on the winery's updated timetable of events in the wine sales program and outreach schedule.</p>		
4.B. Winery Division of Labor	12	

	<u>Page</u>	<u>Est. Time</u>
An update on the winery's division of labor.		
4.C. Wine Sales Report and Projections	19	
An update on the history of wine sales, current inventory levels, recommended base inventory levels, and sales projections to bring inventory to the desired level.		
4.D. Winery Outreach Plan	24	
A report on the preparation to establish a schedule for regular outreach to local high schools and wine industry employers.		
4.E. Winery Inventory Report	26	
A report on inventory as of February 28, 2019.		
4.F. Financial Report	28	
A report on year-to-date financial data ending February 28, 2019.		
5. New Business/Oral Reports		4:20 PM
6. Adjournment		4:30 PM

The next regular meeting of the board of directors will be held on June 19, 2019.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the associate superintendent/vice president of finance and administration's office at (805) 922-6966 ext. 3939. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.

Kevin G. Walthers, Ph.D.
Foundation President

ALLAN HANCOCK COMMUNITY COLLEGE
Viticulture & Enology Foundation



Kevin G. Walthers, Ph.D., Board President
 Larry Lahr, Vice President
 Eric D. Smith, Treasurer
 Richard Mahon, Ph.D., Secretary
 Alfredo Koch, Ph.D., Board Member

Minutes

Board of Directors
 Quarterly Meeting

Wednesday, December 12, 2018
 3:30 p.m.

Allan Hancock College
 Captain's Room 102, Building B
 800 South College Drive, Santa Maria, CA 93454

1. Call to Order

Dr. Walthers called the meeting to order at 3:35p.m. with the following directors present: Alfredo Koch., Richard Mahon, Eric D. Smith, and Kevin Walthers.

Absent: Larry Lahr

Guests present: Keli Seyfert, David Corey

Note taker: Aimee Camacho

2. Public Comment

No public comment was made.

3. Action Items

3.A. Approval of September 19, 2018 Meeting Minutes

On a motion by Dr. Mahon seconded by Alfredo Koch, the board approved the minutes from the September 19, 2018 board meeting as submitted.

(Ayes: Koch, Mahon, Smith, Walthers; Noes: None; Abstentions: None; Absent: Lahr)

3.B. Appointment of Board Member

On a motion by Dr. Mahon seconded by Alfredo Koch, the board appointed Eric D. Smith as treasurer to the Viticulture and Enology Foundation board of directors.

(Ayes: Koch, Mahon, Smith, Walthers; Noes: None; Abstentions: None Absent: Lahr)

3.C. Wine Club Pricing

There was a discussion about the discount for wine club members. Wine members receive a 40 percent discount on their shipments bi-annually and a 30 percent discount on all other wine purchases.

On a motion by Eric D. Smith seconded by Dr. Mahon, the board approved a pricing structure specific to the wine club.

(Ayes: Koch, Mahon, Smith, Walthers; Noes: None; Abstentions: None Absent: Lahr)

3.D. Signage for Vineyard/Winery

The board approved a new winery sign made of metal with a blue background and white lettering that follows the college's signage standards. It was suggested to place a temporary sign directing the public to the winery during tasting hours only.

On a motion by Alfredo Koch seconded by Dr. Mahon, the board approved funding to improve signage for the winery.

(Ayes: Koch, Mahon, Smith, Walthers; Noes: None; Abstentions: None Absent: Lahr)

3.E. Damaged Wine Press

The board approved the expenditure of \$5,800 for repairs and if there are additional fees then the subject will be brought back for further discussion.

On a motion by Eric D. Smith seconded by Dr. Mahon, the board ratified the expenditure of \$4,100 for repairs and approved \$5,800 for additional repairs and shipping costs.

(Ayes: Koch, Mahon, Smith, Walthers; Noes: None; Abstentions: None Absent: Lahr)

3.F. Purchase of Wine Titration Equipment

Eric D. Smith suggested adding a board item to the next meeting to discuss the winery's reserves and multi-year plan. It's estimated that the district pays \$5,000 a year for outsourcing titration services. Dr. Walthers requested a specific breakdown of the price and services a new wine titration would offer.

No action was taken on this item. This item will be brought back to the next meeting.

3.G. Co-funding Greenhouse Repairs

Dr. Walthers suggested Dr. Mahon contact the facilities department to assist with repairing the greenhouse. The district will incur the full cost and will do a charge back to the foundation.

On a motion by Eric D. Smith seconded by Dr. Mahon, the board approved the use of \$3,000 from the Viticulture and Enology Foundation funds to support repairs for the greenhouse and not to exceed the \$15,000 quote.

(Ayes: Koch, Mahon, Smith, Walthers; Noes: None; Abstentions: None Absent: Lahr)

3.H. Acceptance of Donations

On a motion by Dr. Mahon seconded by Eric D. Smith, the board accepted the donations received.

(Ayes: Koch, Mahon, Smith, Walthers; Noes: None; Abstentions: None Absent: Lahr)

4. Information Items

4.A. Santa Maria Sun Winery Article

Dr. Mahon discussed the Santa Maria Sun and Santa Maria Times articles that were written highlighting the winery. The articles are good publicity for the winery.

4.B. Winery Planning

There was a discussion about the winery's planning timeline. David Corey clarified the barrel racking process.

4.C. Winery Division of Labor

Dr. Mahon discussed the responsibility chart for staff roles. Dr. Walthers requested the organization of classes be included in the chart.

4.D. Storage Container Purchase

Staff have been researching refrigerator container options. Dr. Walthers asked that staff work with the humane society regarding the feral cats.

4.E. Winery Space Rental

This topic is an ongoing discussion and staff will come back with a recommendation at the next meeting.

4.F. Financial Report

Keli Seyfert discussed the financial report for the winery.

4.G. Winery Inventory Report

A report on inventory as of October 31, 2018.

4.H. Recent or Upcoming Events

Alfredo Koch discussed the district attending the Unified Symposium Event. Eric D. Smith requested staff provide a report on how the event went at the next meeting.

5. New Business/Oral reports

None

6. Adjournment

The next regular meeting of the board of directors will be held on March 27, 2019 at 3:30 p.m.

Richard Mahon
Foundation Secretary



AHC Viticulture & Enology Foundation

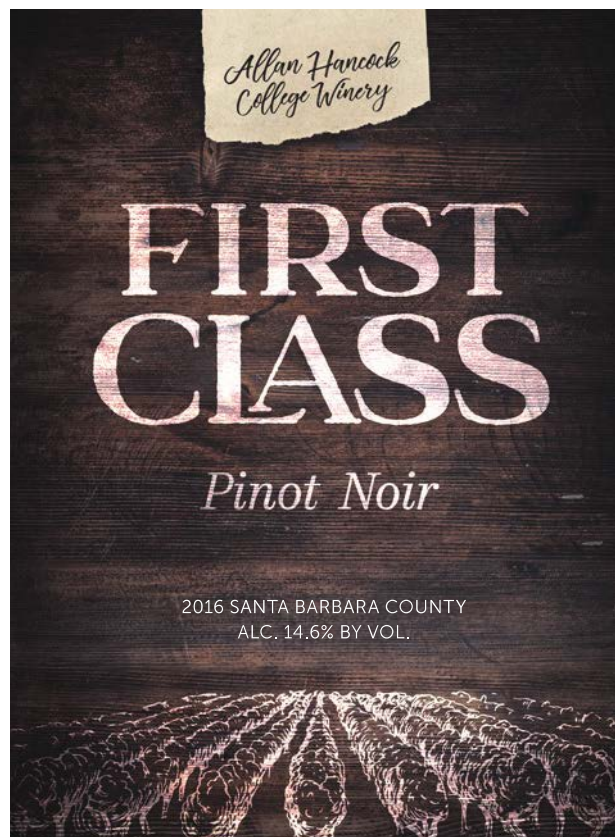


To: Board of Directors	ACTION ITEM
From: Alfredo Koch, Ph.D., Board Member	Date: March 27, 2019
Subject: Presque'ile Winery Benefit Label	Item Number: 3.B.
	Enclosure(s): Page 1 of 1

BACKGROUND

The Winery will be holding a benefit event at Presqu'ile Winery on Saturday, September 21, 2019. The event was approved by President Walthers and will be coordinated with assistance and support from Jon Hooten and the College Foundation.

There will be a dedicated 2016 Pinot Noir at the event with a special label:



FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends that the board approve the recommended label for the fundraiser at Presque'ile Winery.



AHC Viticulture & Enology Foundation



To: Board of Directors	ACTION ITEM
From: Kevin Walthers, President	Date: March 27, 2019
Subject: Acceptance of Donations	Item Number: 3.C.
	Enclosure(s): Page 1 of 1

BACKGROUND

On February 27, 2019, Susan D. Reardon donated a total of six tickets to the Lompoc Rotary Club 33rd Annual Wine Tasting and Auction to enable instructors and students of the AHC Viticulture & Enology program to attend the event.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends that the board accept the donations received.


AHC Viticulture & Enology Foundation


To: Board of Directors	INFORMATION ITEM
From: Richard Mahon, Ph.D., Secretary	Date: March 27, 2019
Subject: Winery Planning	Item Number: 4.A. Enclosure(s): Page 1 of 4

BACKGROUND

Board members will review an updated timetable of events pertaining to the vineyard, winery, wine sales program, and outreach.

January

February

March

April

May

Vineyard

Manage cover crops	Irrigation	Mildew Sprays from now on	Consider Zinc & Boron foliar as needed
Pruning analysis	More compost applications	1 # Nordox 75 WG/ 2 qt Sylet Oil (4/4)	Spray (5/2)
Ravaz index	First Spray for Powdery Mildew and Botrytis	Organic - Sylet Oil	1 qt Coastal Calmax (Boron) in Syrah
Trellis repairs	Care of Fruit trees	1 # Nordox 75 WG/ 2 qt Sylet Oil (4/14)	1 qt Calmax Zinc in Syrah
Prune experiments in Pinot, Cab & Syrah	Compost tea preparation	Organic - Sylet Oil	23 oz Pristion
Check on new vine orders	Apply cover crop seeds	1 # Nordox 75 WG/ 2 qt Sylet Oil (4/25)	2 qt Sylet Oil
Trellis repairs	Finish all pruning	Organic - Sylet Oil	Organic - Sylet Oil and Serenade
Some Pruning	Apply 500	Secure fruit for wines	Herbicide application
Move wires down			Weeding with Spedo
Vineyard repairs			Shoot training
Compost application			Bloom: get petiole samples
Unified Symposium			Spray (5/23)
Run pruning experiments			1 # Elevate
			1 qt Coastal Calmax
			1 qt Calmax Zinc
			6 oz Quintec
			2 qt Sylet Oil
			Organic - Sylet Oil and Serenade
			Pull shoots and leaves early
			get canopy reduced earlier
			look at first 16 rows from 4 to 20.

Winery

Racking	Teach Sanitation	Sparkling riddling and disgorging	Fining Agent trials
Barrels top and SO2	SO2 controls analysis	Blending possibilities	Blending decisions
Bottle experiments	Rose bottling	Chemical analysis	Additions and adjustments
SO2 controls for individual wines	Oak additions to red wines		Bottling reds preparation
Fining trials	Order labels		All chemical analysis prior to bottling
Establish winemaking plan for Spring	Request bottling supplies		Filtration trials
Teach Sanitation	White bottling		Bottle white wines
Unified Symposium	Barrels top and SO2		Bottle Rose wines
	Tartrate stability in white wines		Equipment cleaning and maintenance
	Filtration		Check workorders completion
	Bentonite filtration		Bottle with mobile truck 500-600 cases
	Start Sparkling wine production		Pothuck and movie with students

Sales

Prepare sales plan and marketing materials	Send samples for Orange County wine fair	Local Business focused events	Wine Classic Avila Beach (5/5)
Sales contacts with wholesalers	Industry event at the winery	Wine Club Release Party -Winter (3/8)	Paso Robles Vintners (5/17)
HS Ag & Vit instructors to Winery (1/11)	Open House prior to Valentine's Day (2/8)	(3/13)	Sales to local accounts
Santa Barbara Winter Wine Classic (1/19)			Industry dinner
Unified Symposium			Santa Barbara Wine Zoo Roar and pour
			Orange County Wine Competition
			Club pick up event

Koch

Plan wine post fermentation treatments and adjustments	Reorder vineyard signs	Ship wines to OC Wine Competition
	Order more vines as needed	
	Request cover crop seeds	Students, alumni follow up
	End of the year student BBQ	

September

August

July

June

Vineyard

Review student worker status	Spray (7/4)	Pull mildew out of Chardonnay	Harvest Chardonnay
File winery returns and permits	5# Keep (0-51-33)	Put up bird nets	Lower bird nets
TTB & ABC	23 oz Pristine	Weeding	Weeding
Order new vines	2 qt Stylet Oil	20 oz Inspire Super	Control and follow up ripeness
Advertise with students for Ravaz Index	Spray (7/25)	2 qt Stylet Oil	Harvest Pinot noir still - 23-24 Brix
Visit High Schools	5# Keep (0-51-33)	Control & follow up ripeness	Harvest Chardonnay - 23 Brix
Label Approvals	1# Elevate	Lower bird nets	Harvest Albarino - 22 Brix
Survey monkey online	6 oz Quintec	Harvest Pinot noir for sparkling - 19 Brix	Irrigate young vines
Secure fruit for wines in August	Weeding	Harvest Pinot noir for Rose - 20 Brix	Harvest Albarino
	Put up bird nets as needed	Irrigate young vines	Lower bird nets
	Apply 500	apply 501	

Winery

Bottle Whites and Rose Labeling	Top barrels- Adjust SO2	Winery clean up & sanitation	Control of fermentations (9/1)
SO2 controls with analysis for individual wines	Order yeasts	Confirm harvest supplies are at the winery	Control and follow up ripeness
Bottle reds	Barrel Racking	Clean all equipment ready for teaching	De-steam Pinot
Labeling	Order materials for wine analysis	Recount hydrometers, thermometers	Press Chardonnay
Finalize Harvest plan	Bottle more Reds	Get final supplies for all wine analysis	Racking & SO2 additions
Contact donors and suppliers	Labeling	Control and follow up ripeness	
Top barrels, Adjust SO2	Equipment maintenance	Press Pinot noir for Sparkling base	
	Get ready for Harvest	Press Pinot noir for rose	
	Buy all supplies and reagents for winemaking		
	Buy supplies & reagents for wine analysis		

Sales

Mac & cheese Festival (6/9)	Bottling party	Ship wines to SF Wine Competition	Tour and Taste of the Valley, Orcutt
Jazz & Olives (6/9)	Visit Retail Stores	Gala Dinner benefit for V&E, Presquile	Boys & Girls Festival
PCPA Solvang, Under the lights (6/16)	Cal Wine Festival SB (7/20)	Central Coast Wine Classic	Open House Harvest
St Joseph Nights & Brews (6/23)	Cal Wine Festival SB (7/21)	Family Winemakers in SFO (8/26)	Industry event at the Winery
SB Natural History Museum (6/29)			AHC Fundraising Dinner at Presquile 9/22
Finalize Sales Outlook			

Koch

Label Approval	Ag Commissioner permit	Start & review Student worker status	Label Approvals
Attend Orange County wine competition	Prepare tax filings	Visit High Schools	
		Contact Angela Soleno for Website	

October November December

Vineyard

Harvest Syrah Irrigation Lower bird nets Harvest Torrontes 23 Brix Lower bird nets	Weeding with Spedo Put bird nets down Harvest last Torrontes Manual weeding young vines Repair irrigation	Return all bins from donations Weeding Care of new vines Cut to two buds in January Prepare pots for vine propagation Cover crops as needed Soil fertilization, compost Flush irrigation Bring cover crops
Apply 500 after harvest	Apply compost	Apply compost

Winery

Control of fermentations Racking and SO2 additions Use enzymes for Torrontes pressing	Control of fermentations Bottle wine form experiments	Inoculate for malolactic as needed Bottle Experiments Check workorders completion Potluck and movie with students Equipment cleaning and maintenance
Wine Club Pouring Vandenberg (10/5) Hancock Wine Festival (10/7)	Cal Wine Festival, Huntington Beach (11/19) Thanksgiving Opening (11/20)	Invite to the Industry (12/4) Christmas Sale (12/6-7)
Wine Club Release Party, Fall (10/12) Winemaker Wine Dinner Pairing (10/26) (Industry dinner)	Local Business focused events Together with Arts & Ceramics Pinot party Old Orcutt Market 3rd Saturday	Wine Club pick up event

Sales

Koch

Students, alumni follow up	Renew vineyard permits, Prepare tax filings Check Winemakers Database information Get cover crops
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AHC Viticulture & Enology Foundation


To: Board of Directors	INFORMATION ITEM
From: Richard Mahon, Ph.D., Secretary	Date: March 27, 2019
Subject: Winery Division of Labor	Item Number: 4.B.
	Enclosure(s): Page 1 of 7

BACKGROUND

With the hiring of Winery Coordinator Dave Corey, it has been possible to develop a more nuanced assignment of responsibilities in the hope and expectations that all tasks will be completed more effectively. The Board reviewed the three-column chart at its December meeting; the enumeration of daily/weekly/monthly/season duties is new.

Viticulture & Enology: Staff Roles & Focus

Faculty/Instructional (from recruitment document used to hire Alfredo Koch)	<i>Shared Responsibilities</i>	Winery Operations (from job description used to hire Dave Corey)
<i>Viticulture & Enology academic program (primarily the responsibility of Alfredo Koch)</i>		
Provide instruction with a primary emphasis in enology and/or viticulture	Alfredo is the primary instructor in the V&E program; as the sole full-time faculty member, he is responsible for all curricula, both individual courses as well as program requirements	
Plan and organize instructional materials		
Participate in program review and curriculum development		
Review and revise courses(s) content as may be necessary		
Hiring of part-time agribusiness faculty	Subject to AHC HR policies and procedures, Alfredo Koch makes the primary recommendation to hire and schedule part-time faculty	
<i>Vineyard (Alfredo acts to coordinate; Dave responsible for execution)</i>		
Coordinate care and maintenance of four acre vineyard	Oversight of the vineyard is a shared responsibility; the program coordinator (Alfredo Koch) is responsible for coordination, though much of the actual work is the responsibility of winery operations (Dave Corey)	Assists faculty in prepping for and developing upcoming vineyard activities which can include readying equipment for student and staff use and inviting guest speakers
		Assists faculty in supervising students during group/team activities and in class-related vineyard operations and procedures
		Helps to coordinate year-round maintenance of vineyards including plowing, spraying, maintaining and repairing

		irrigations systems, servicing tractors, and implements
		Accurately reports and posts all pesticides and herbicides in use [in the vineyard] to program coordinator
		Provides walking tours of the vineyard
		Gathers data from vineyard physiology and winemaking operations including experiments in viticulture and wine business
winery		
		Helps to coordinate maintenance for and servicing all winery equipment including barrels
		Maintains inventory of all chemicals and equipment in the winery and lab and the storage of empty wine bottles
		Pulls wine samples monthly for lab analysis, adds sulfur dioxide additions or tops off wines as needed. Runs wine sample analysis as needed
		Maintains computer software database
wine sales: <i>The program did not have a winery when Alfredo was hired and thus his hiring document is silent on the subject; several elements in Dave's job description refer to responsibilities related to the winery and wine sales</i>		
		Oversee winery operations and supervises wine sales

		Coordinates monthly wine events including weekly college wine sales
		Reconcile daily sales and monthly inventory for accounting department
		Identifies, pursues, and maintains accounts with all retail markets , wine shops, and restaurants; hosts weekend wine tastings
		Coordinates with Auxiliary Accounting and AHC staff as necessary for the planning and development of sales and outreach activities
		Schedules and supervises wine production operations including but not limited to wine fermentation, blending, stabilization, bottling, and storage
		Helps prevent problems with wines and communicates potential issues promptly to program coordinator and faculty
		Prepares and participates in sensory evaluation trials
<i>Misc. V&E duties</i>		
Evaluate and counsel students	All faculty and staff have some expertise and all share that expertise with students as appropriate	
		Serves as liaison at mandatory Continuing Education seminars for PAC and in monthly wine and agricultural business symposiums and seminars

	Alfredo and Dave both work regularly with student workers.	Recruits, interviews, hires, schedules, and trains classified exempt and student worker employees
Promote the program in the community and with industry	Alfredo is primarily responsible for outreach, to both local high schools and local wineries, both to recruit new students and to secure internship and employment opportunities for current students.	

Daily/Weekly/Monthly/Seasonal Duties: First draft

Dave's List

14. Website

Daily

1. Communicate with program coordinator
2. Social media
3. Marketing
4. Reconcile with accounting
5. Clean winery
6. Wine deliveries
7. Student activity
8. Outreach
9. Campus activities
10. Keep up with wine industry on Wine Business Monthly

Monthly

1. Winemaker Data Base reporting
2. Print monthly report of operations
3. Taste through barrels
4. Test wine through various analysis
5. Coordinate with program coordinator
6. Off campus pouring events
7. Marketing materials with student worker
8. Sales number comparisons to previous years
9. Wine club numbers

Seasonal

1. Harvest August-November
2. Wine movement and blending
3. Winemaking harvest August-November
4. Wine Club
5. Open houses
6. Campus activities
7. Tasting events off campus
8. Bottling wines
9. Harvest jobs for students

Weekly

1. Wine sales off campus Wednesday
2. On campus wine sales Friday
3. Prepare and support wine class on Thursday
4. Wine deliveries
5. Topping all barrels, taste and smell wines
6. Reconcile Friday sales with Auxiliary accounting
7. Wine inventory and reporting
8. Move and reorganize case goods
9. Follow up with existing sales accounts
10. Paperwork
11. Meeting with coordinator, Dean and Yvette
12. Social media and marketing
13. Communicate with program coordinator

Alfredo's List

Daily

1. Check seals on all tanked wine
2. Check temperature of refrigerator (Ensure working)
3. Clean lab counter

4. Ensure all barrel bungs are securely in place
5. Spray SO₂ solution around barrel bungs
6. Check SO₂ spray bottles and make new solution if below half a bottle
7. Check sanitation barrels. Ensure pH level is correct and water is clean
8. Check Work Orders box and complete pending working orders
9. Work diligently in controlling all bulk wines existing in the winery
10. Sales calls
11. Update Winemakers database information
12. Do everything needed to keep the winery in excellent condition
13. Plan and prepare all labs in advance

Weekly

1. Clean Winery floor
2. Inventory chemicals
3. Sanitize lab counters
4. Sanitize Lab cabinet drawers and doors
5. Pick up trash and perform general cleaning around crush pad and winery yard
6. Empty trash cans and take trash to trash bins on far side of parking lot
7. Spray outside of barrels with SO₂ solution, saturating all exposed surfaces.
8. Check Work Orders box and complete pending working orders
9. Check all barrel levels and top off if needed. Document any off aromas or excessive evaporation.
10. No headspace in barrels, always topping
11. Gas headspaces
12. Maintain free SO₂ at appropriate levels
13. Carry the bottled wine inventory weekly
14. Carry the chemicals inventory weekly when heavy use, if not once a month
15. Carry the inventory of supplies and current needs weekly
16. Pulls wine samples monthly for lab analysis, adds sulfur dioxide additions or tops off wines as needed. Runs wine sample analysis as needed
17. Runs all inhouse required wine analysis
18. Helps prevent problems with wines and communicates potential issues promptly to program coordinator and faculty

19. Maintains computer software database
20. Maintain the Winemakers Database software updated in everything, including supplies
21. Winemaking (taking care of all related activities to obtain the best possible wines following protocols)
22. Every two days top and gas
23. Topping barrels
24. Run wine analysis as needed
25. Winemaking supplies - inform of requirements and needs well in advance
26. Turn lees as needed
27. Lab preparation
28. Help to prepare lab classes
29. Look for all the required supplies and materials for the lab classes
30. Help with all ongoing experiments and projects in the program
31. Rack and top all tanks and barrels
32. Winery Inventories
33. Helps to procure all necessary supplies
34. Winery Documentation
35. Receptions in winery
36. Wine Pouring outside of AHC Winery
37. Attend pouring events
38. Promotion of sales through Social Media
39. Weekly sales plan
40. Sales visits - visits many accounts and make sufficient sales calls
41. Maintains all plants and tasting room area
42. Follows up in all maintenance required at the winery
43. Follow all barrels and tanks, tasting as necessary.
44. follow all winemaking trials assuring complete notes and accuracy
45. Monitor quality control everywhere
46. Adopt safe practices and insure everybody is doing the safest practices at the winery

Monthly

1. Make sure that the wines are in perfect condition, and we are producing the best wines we possibly can.
2. Check all barrel levels and top off if needed. Document any off aromas or excessive evaporation.

3. Arrange for maintenance of everything at the winery
4. Perform Preventative Maintenance Inspections (PMI's) on all winery and any other equipment as needed or directed
5. Remove all barrels and equipment from winery and clean entire winery floor. Put everything back once cleaned
6. Maintain winemaker's database current and accurate.
7. Inform of any supplies needed in the next six months
8. Follow wine collections as needed
9. Ensure all cases are organized and easily accessible
10. Maintains inventory of unused glass, corks, all closures
11. Sales plan check
12. Ensure that all labs are well prepared
13. Update inventories of case goods, chemicals and bulk
14. Prepare all sales materials
15. Follow up sales plan
16. Keep information on future events inside and outside winery



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Richard Mahon, Ph.D., Secretary	Date: March 27, 2019
Subject: Wine Sales Report and Projections	Item Number: 4.C.
	Enclosure(s): Page 1 of 4

BACKGROUND

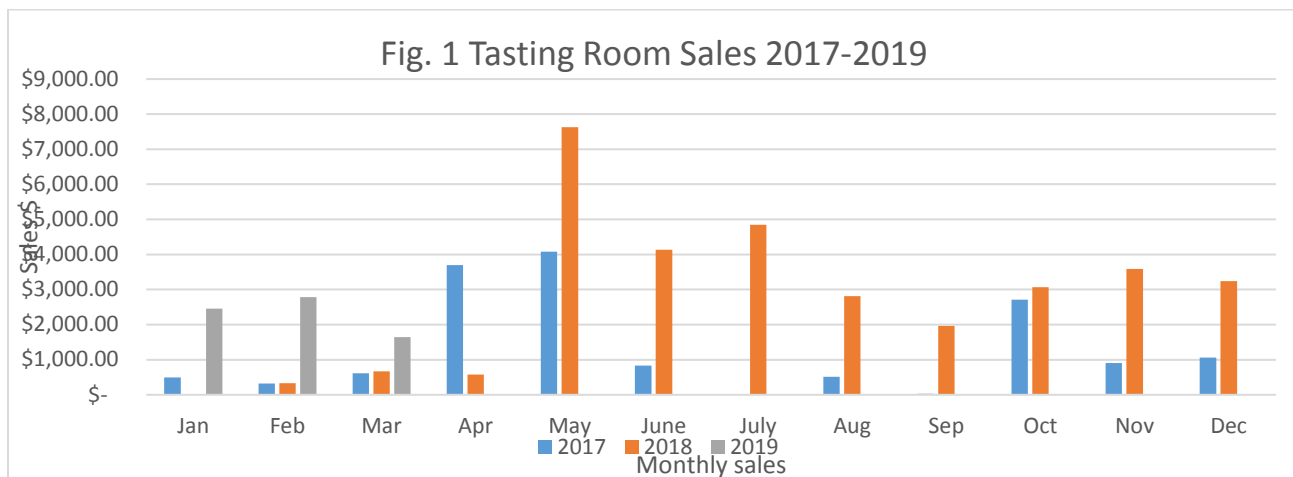
The bonding of the college winery in 2015 introduced a new element to the academic program. Now students can not only learn about growing and harvest grapes and turning grapes into wine, but they can also learn about all aspects of the marketing and sales of wine. Staffing for the wines sales aspect of the program have been inconsistent. A previous staff member served in a temporary science lab position from October 2016 through May 2017. A new job description was developed and approved by the college Board of Trustees in August 2017. Recruitment for that position took place from February through April 2018, when Dave Corey was hired.

The following report summarizes (1) previous years' sales, (2) the approximate production capacity of the winery, (3) the current inventory, (4) a recommended base inventory level, and (5) projections about the length of time necessary to bring inventories down to the desired level.

REPORT

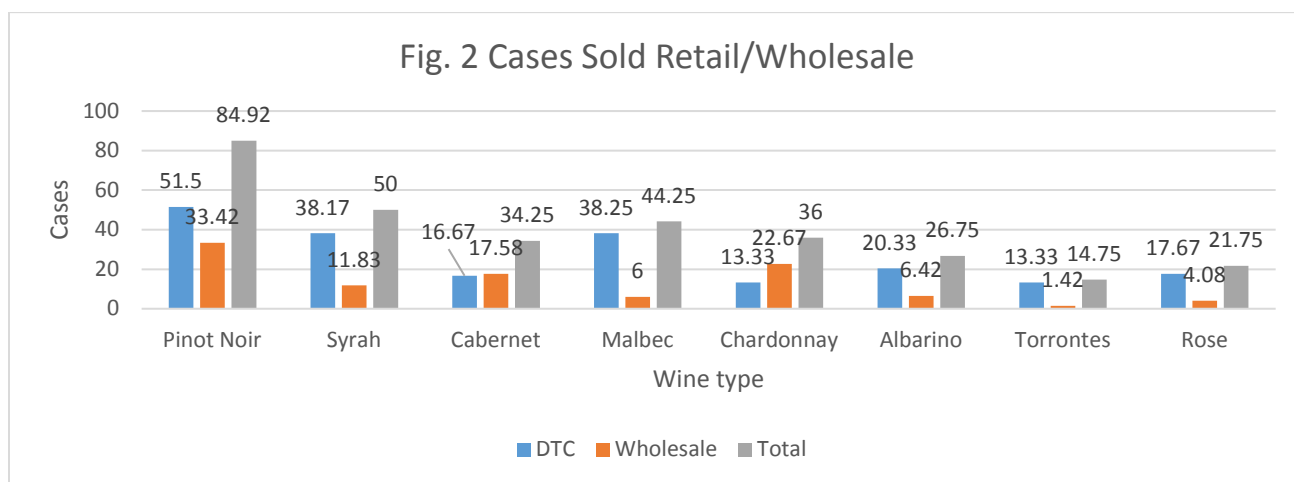
We have good retail data for the last two years (Figs. 1 and 2). **Retail sales** 4/27/18-3/11/19 versus 4/27/17-3/11/18 increased by 277%. This can primarily be attributed to:

1. Regular sales days and later hours: 2:00-6:00 every Friday has been well received by people on and off campus
2. Regular email correspondence, keeping connected with our customers
3. Social media—regular and consistent messages
4. Wine reviews and press—validates a consumer's expectance of quality
5. Great prices—\$14-18 is a steal!
6. Better signage—people can find us more readily



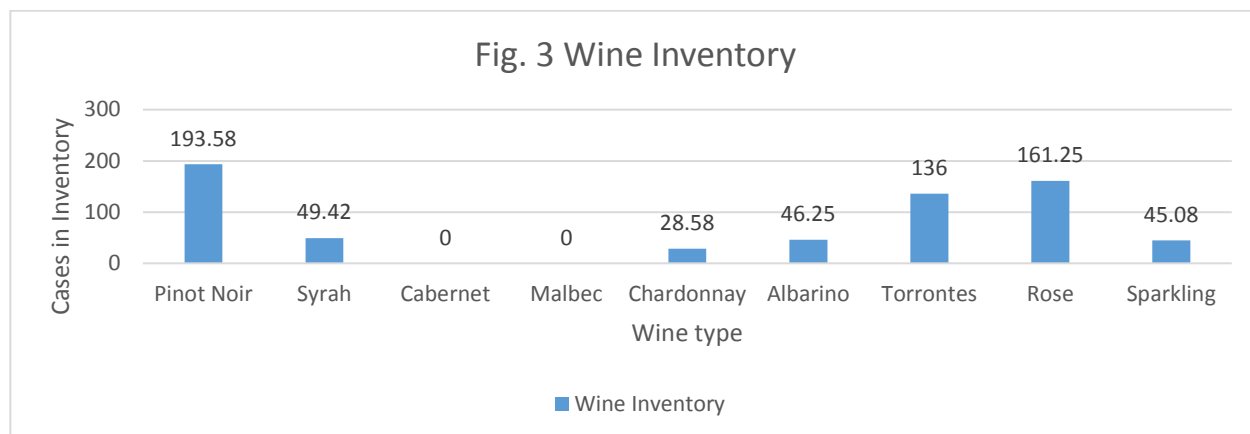
Wholesale sales (wine not sold directly to consumers, Fig. 2) is relatively new for us. Our wine has been well received by everyone. Even though it has been an educational experience, greater sales can be attributed to a few things.

1. Greater face to face interactions with wine buyers
2. Wine reviews and press from reputable and trusted sources
3. Greater acceptance of the new labels
4. Pricing that makes the wine available to all
5. As we get the word out and tell our story, there will be more opportunities



Retail and wholesale depletions (Figs. 2 and 3):

1. Retail vs. Wholesale and acceptance of wines. Chardonnay, Cabernet Sauvignon, and Pinot Noir are more familiar and accepted varietals. Wines like Syrah, Malbec, and Albariño are at the next level of acceptance. It has been much easier to bring down inventory of these wines. Wines such as our Torrontes and Rosé are sold through our tasting room, even though the Rosé should move better with the right style.

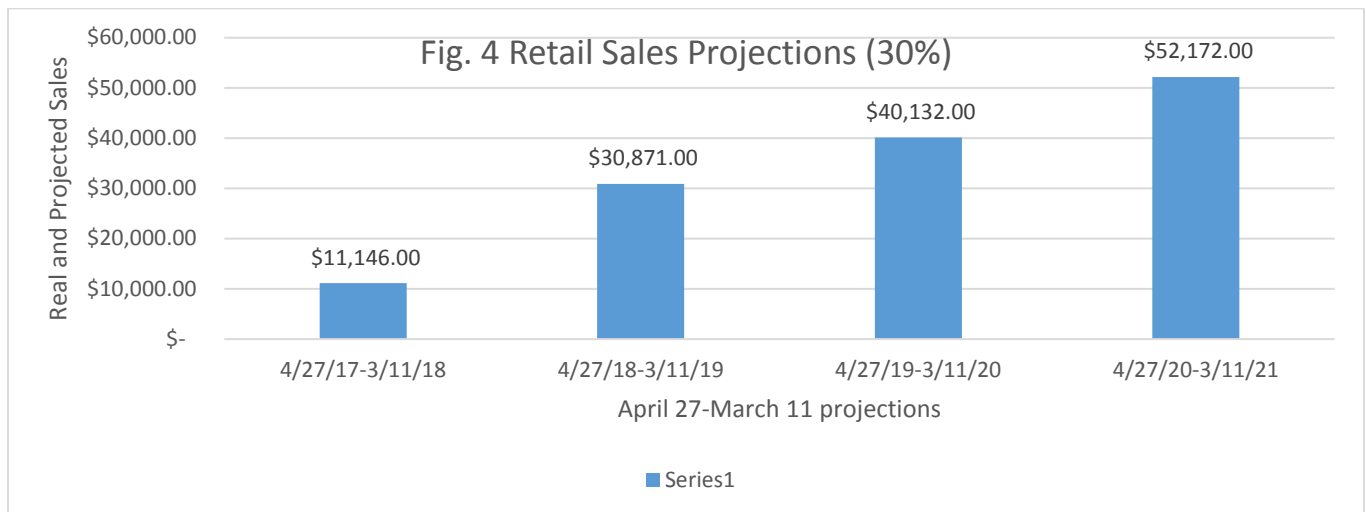


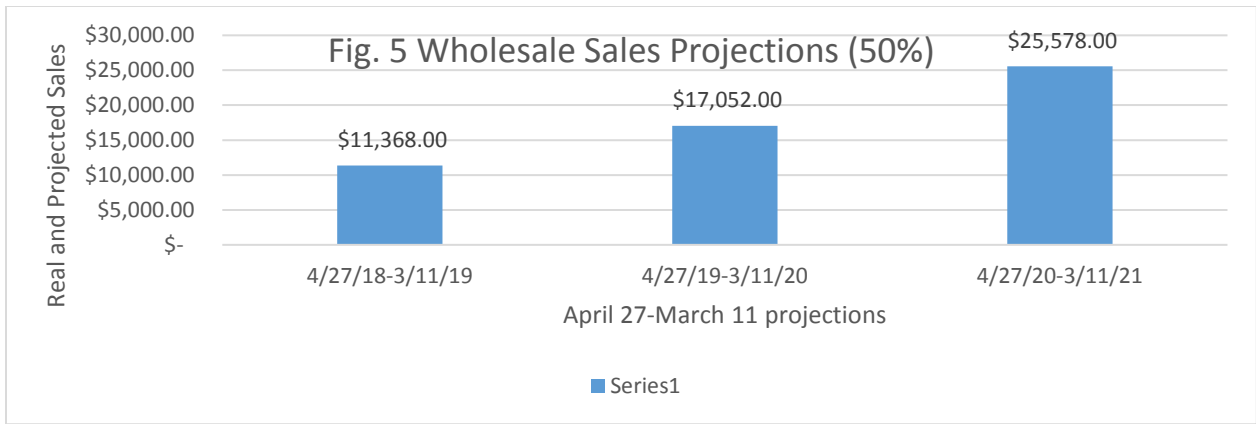
How do we sell less well-known varietals (Figs 2 and 3)?

1. The Torrontes has been a challenge. Currently we have four vintages to sell. We should price the wine at \$12 to help stimulate sales. I would recommend producing no more than 1 barrel each year. My recommendation is to make a wine with some sugar. This will separate the wine style from the rest of the wines in our lineup. I would also recommend grafting over the Torrontes to Grenache and Tempranillo. Leave two rows for the Torrontes and work with more red grapes. This gives us more choices in the tasting room and blending in the winery.
2. The Rosé cases and vintages are starting to pile up. For the future, we should limit Rosé bottlings to 20-24 cases/year. Price this wine at \$12 as well to promote movement. Keep at least one Rosé on every Friday tasting. The extra Pinot Noir grapes could easily be rolled into our Pinot Noir program.
3. 2015 Pinot Noir case quantity is a concern. Pricing it at \$15/bottle should be considered to stimulate movement. The challenge with this wine has been the label and wine score. Trader Joe's was interested in the wine but declined due to the label. We should still focus on selling it in the wholesale market. On the Friday flight I can include it on a regular basis.

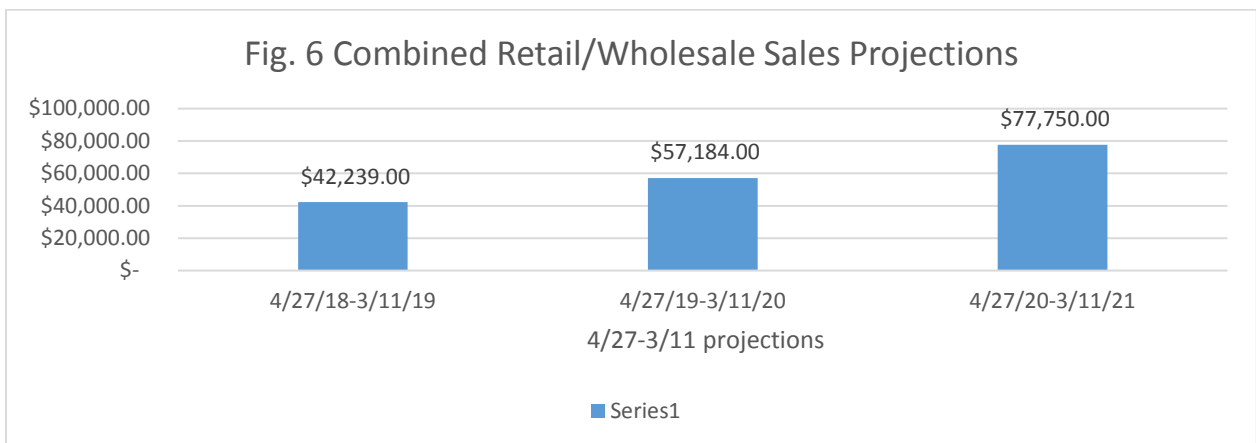
Current retail and wholesale sales and projections (Figs 4, 5 and 6).

1. I'm projecting a modest 30% increase in yearly retail sales, even though the increase this year has been much greater. Doing more events with food and music would definitely bump these numbers up.



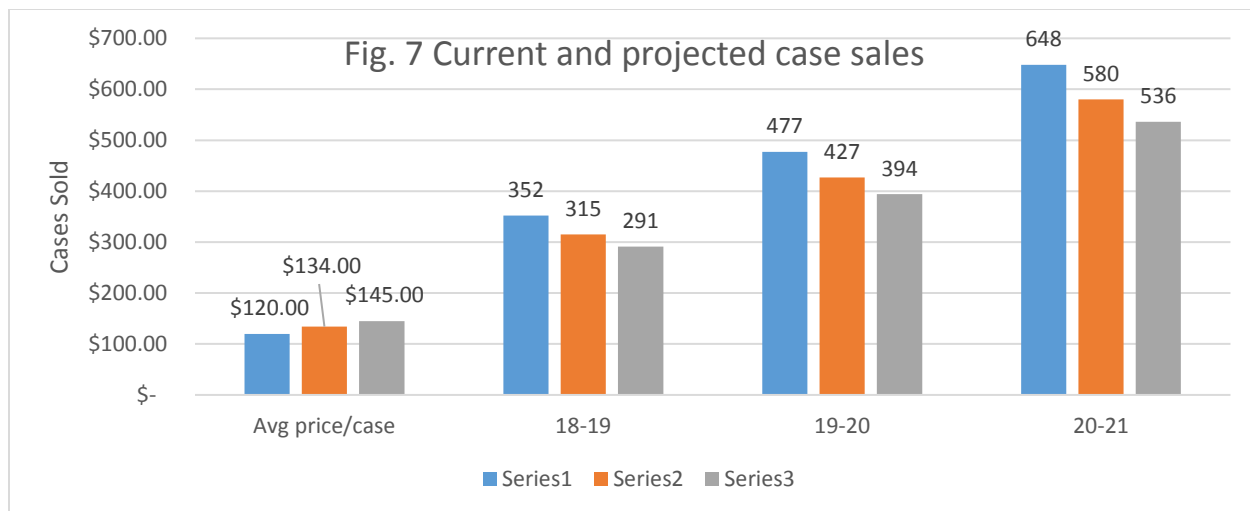


- I'm projecting 50% yearly growth for the wholesale market. Our biggest sellers are the Pinot Noir, Chardonnay, Cabernet, and Syrah. Cases produced and in inventory will dictate how we should proceed. If we continue with larger retailers like Trader Joe's, our Pinot will be depleted rapidly. We're limited in growth due to the size of our vineyard. We're able to control our Chardonnay and Syrah quality since it comes from our vineyard. The Cabernet is more problematic, since it comes from donations.



How much should we keep in stock and what to produce (Fig. 7)?

- The average case price for the past 11 months is \$134 with over 315 cases sold. The graph predicts current and future cases sold based on average case price and projected sales. Our goal over time is to sell more to consumers at higher prices, which will require less production to achieve the sales goals. Our top priorities should be to focus on the fruit which comes from our vineyard and less on donated fruit unless donated fruit meets our quality standards. Currently we produce around 600 cases a year, which is around my prediction in two years at the \$134/case mark.



2. Selling out of wines is not a bad thing. It's always important to have our core wines in stock. Pinot Noir, Syrah, and Chardonnay. The quantity varies, but we should always have enough available for a 10-month period. Especially for our accounts who have developed a following for our wines. You want to keep them happy and supporting us every year.



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Alfredo Koch, Ph.D., Board Member	Date: March 27, 2019
Subject: Winery Outreach Plan	Item Number: 4.D.
	Enclosure(s): Page 1 of 2

BACKGROUND

The Hancock winery program is sometimes described as a “hidden gem.” While we agree it may be a gem, we don’t wish it to be hidden. We need to do a better job (1) promoting the program to local high schools and employers, (2) meeting with local growers and wine makers, (3) exposing students to the industry, (4) providing students with experience in different *terroirs*, and (5) providing students opportunities to interact with industry professionals in Santa Barbara County. This will help strengthen and build relationships with the wine community, provide CWE and internships for students, and develop better integration of classes with local industry.

From March 2019 through March 2020, we plan to schedule visits to:

- Riverbench (Pinot Meunier), Rancho Sisquoc (grape sourcing and warehouse), Foxen (Dry farming)
- Zacamesa, Andrew Murray, Fess Parker, Santa Maria cellar
- Spear Winery (prod facility on display), Flying goat (Sparkling production)
- Fred Brander, Tercero Winery, Michael Larner
- Cambria, Kenneth Volk, Bien Nacido, Cottonwood
- Dierberg, Grimms Bluff, Vogelsang
- Gainey, Williamson Doree,
- Babcock, Melville, Zotovich,
- Fiddlesticks, Lindcourt, Sandford & Benedict
- Sea Smoke, Jillian Malone

Among the questions we wish to discuss during these visits:

- What are the main skills that you think our students need to have?
- How could we better promote our courses and programs?
- Are you interested in participating in an audit project?
- Common pests and problems?
- How about a tasting room certificate?
- RBS responsible certificate for pouring.
- Can you provide our students with work experience?
- Interest in sustainable, organic, or biodynamic production?

- Could you source any fruit for us?
- Would you like to participate as guest speaker for class discussions? Which subjects?
- Would you like to participate at AHC Wine Festival?
- Would you consider the program for donations

We need to make sure the local industry is aware of the several areas of study offered at Allan Hancock College, including:

- Viticulture
- Enology
- Wine Business

Both students and local employers need to be aware that Hancock offers:

- CWE and internships
- CTE certificates
- Associate degrees
- Transfer to four-year college programs, including Cal Poly, CSU Fresno, and UC Davis
- Collaboration with local growers and wine makers

Finally, we would also like to solicit input on the scheduling options most attractive to prospective students, including:

- Days of the week of availability of classes
- Time of day: morning, afternoon, evening


AHC Viticulture & Enology Foundation


To: Board of Directors	INFORMATION ITEM
From: Eric D. Smith, Treasurer	Date: March 27, 2019
Subject: Winery Inventory Report	Item Number: 4.E.
	Enclosure(s): Page 1 of 2

BACKGROUND

Attached is the wine inventory report for the AHC Viticulture and Enology Foundation as of February 28, 2019.

Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report
As of February 28, 2019

Vintage/Varietal	Case Wines										Bulk Wines					
	FY19 Beginning Inventory (Bottles)	Minus: YTD Sales	Minus: YTD Donations	Minus: YTD Tasting	Plus/Minus: YTD Adjustments	Plus: Inventory Additions	FY19 Ending Inventory (Bottles)	Cost per Bottle	FY19 Ending Inventory Cost Value	Retail Cost per-Bottle	FY19 Ending Retail Cost Value	FY19 Bulk Wine (gallons)	FY19 Ending Inventory Cost Value	FY19 Ending Inventory Cost/Gallon	FY19 Ending Inventory Cost Value (Case Equivalent)	
2012 White Wine	347	-5	-12	-5	-27	0	298	\$ 1.53	\$ 455.93	\$ 7.00	\$ 2,086.00	-	\$ -	\$ -	-	
2014 Pinot Noir AHC (Estate 5BC)	672	-222	-12	-19	19	0	438	3.38	1,480.44	18.00	7,884.00	-	-	-	-	
2014 Red Wine Paso Robles(Bordeaux)	56	-18	0	0	-5	0	33	3.00	99.00	15.00	495.00	-	-	-	-	
2014 Syrah 5BC	106	-20	-4	-4	-1	0	77	3.38	260.26	18.00	1,386.00	-	-	-	-	
2015 Albarino	58	-46	-2	-1	-8	0	1	1.81	1.81	14.00	14.00	-	-	-	-	
2015 Chardonnay	241	-79	-34	-3	-49	0	76	1.76	133.50	14.00	1,064.00	-	-	-	-	
2015 Pinot Noir	1,645	-48	-55	-24	-37	0	1,481	1.76	2,608.05	18.00	26,658.00	-	-	-	-	
2015 Pinot Noir Rose	521	-95	-5	-12	2	0	411	2.93	1,204.23	14.00	5,754.00	-	-	-	-	
2015 Syrah	287	-50	-7	-8	-3	0	219	1.78	390.55	18.00	3,942.00	-	-	-	-	
2015 Torrontes	490	-22	-17	-7	18	0	462	2.29	1,057.21	14.00	6,468.00	-	-	-	-	
2016 Albarino	120	-142	-4	-6	33	0	1	4.50	4.50	14.00	14.00	-	-	-	-	
2016 Cabernet Sauvignon #1	331	-261	-14	-5	-51	0	4	4.26	16.00	15.00	-	-	-	-	-	
2016 Cabernet Sauvignon #2	99	-16	-2	-2	12	0	91	4.32	392.70	15.00	1,365.00	-	-	-	-	
2016 Chardonnay	667	-279	-74	-13	-3	0	298	4.44	1,323.57	14.00	4,172.00	-	-	-	-	
2016 Malbec	384	-356	-18	-17	21	0	14	4.25	59.56	15.00	210.00	-	-	-	-	
2016 Pinot Noir	2,110	-571	-61	-35	65	0	1,508	4.35	6,552.78	18.00	27,144.00	-	-	-	-	
2016 Pinot Noir Rose	782	-82	-27	-13	-38	0	622	4.83	3,001.39	14.00	8,708.00	-	-	-	-	
2016 Syrah	997	-524	-44	-40	-8	0	381	4.62	1,761.11	18.00	6,858.00	-	-	-	-	
2016 Torrontes	316	-82	-18	-12	-5	0	199	4.19	833.28	14.00	2,786.00	-	-	-	-	
2016 Petit Verdot	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	11	202.21	18.38	43.75	
2016 Bordeaux Mix	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	163	3,173.42	19.47	46.34	
2016 Pinot Noir Blanc de Noir (Sparkling)	0	-26	-1	-12	-16	610	555	4.29	2,378.63	30.00	16,650.00	-	-	-	0.00	
2017 Albarino	0	-39	-1	-8	-28	660	584	5.88	3,432.89	14.00	8,176.00	-	-	-	0.00	
2017 Cabernet Sauvignon (J. Lohr)	0	0	0	0	0	0	0	0.00	0.00	15.00	-	118	2,578.68	21.85	52.01	
2017 Cabernet Sauvignon (Rancho Sisquoc)	0	0	0	0	0	0	0	0.00	0.00	15.00	-	80	1,901.23	23.77	56.56	
2017 Chardonnay	0	0	0	0	0	0	0	0.00	0.00	14.00	-	14	363.31	25.95	61.76	
2017 Pinot Noir	0	0	0	0	0	0	0	0.00	0.00	18.00	-	184	4,195.83	22.80	54.27	
2017 Pinot Noir Rose	0	0	0	0	0	0	0	0.00	0.00	18.00	-	-	-	-	-	
2017 Pinot Noir Blanc de Noir (Sparkling)	0	0	-1	-1	-2	915	912	6.14	5,597.42	14.00	12,768.00	-	-	-	-	
2017 Syrah	0	0	0	0	0	0	0	0.00	0.00	0.00	-	206	5,004.40	24.29	57.82	
2017 Torrontes	0	0	0	0	0	0	0	0.00	0.00	18.00	-	86	1,879.38	21.85	52.01	
2018 Albarino	0	0	0	0	-34	731	697	5.05	3,519.04	14.00	9,758.00	-	-	-	0.00	
2018 Blanc de Noir (Sparkling)	0	0	0	0	0	0	0	0.00	0.00	14.00	-	64	1,039.56	16.24	38.66	
2018 Bordeaux (Blend)	0	0	0	0	0	0	0	0.00	0.00	0.00	-	261	3,768.39	14.44	34.36	
2018 Cabernet Sauvignon (J. Lohr-PR)	0	0	0	0	0	0	0	0.00	0.00	15.00	-	59	822.98	13.95	33.20	
2018 Cabernet Sauvignon (RSQ)	0	0	0	0	0	0	0	0.00	0.00	15.00	-	68	981.80	14.44	34.36	
2018 Chardonnay	0	0	0	0	0	0	0	0.00	0.00	15.00	-	74	1,068.43	14.44	34.36	
2018 Pinot Noir 667	0	0	0	0	0	0	0	0.00	0.00	14.00	-	282	4,317.04	15.31	36.43	
2018 Pinot Noir 777	0	0	0	0	0	0	0	0.00	0.00	18.00	-	177	2,454.51	13.87	33.00	
2018 Pinot Noir 91 Cane Prune	0	0	0	0	0	0	0	0.00	0.00	18.00	-	118	1,472.70	12.48	29.70	
2018 Pinot Noir 91 Cordon Prune	0	0	0	0	0	0	0	0.00	0.00	18.00	-	59	851.86	14.44	34.36	
2018 Pinot Noir Rose CC (Central Coast)	0	0	0	0	0	0	0	0.00	0.00	14.00	-	59	851.86	14.44	34.36	
2018 Pinot Noir Rose	0	0	0	0	0	0	0	0.00	0.00	14.00	-	65	996.24	15.33	36.48	
2018 Malbec	0	0	0	0	0	0	0	0.00	0.00	14.00	-	50	721.91	14.44	34.36	
2018 Merlot	0	0	0	0	0	0	0	0.00	0.00	15.00	-	67	967.36	14.44	34.36	
2018 Red Wine (Field Blend)	0	0	0	0	0	0	0	0.00	0.00	0.00	-	59	851.86	14.44	34.36	
2018 Syrah (RSQ)	0	0	0	0	0	0	0	0.00	0.00	18.00	-	57	721.91	12.67	30.14	
2018 Syrah (AHC-5)	0	0	0	0	0	0	0	0.00	0.00	18.00	-	118	1,573.77	13.34	31.74	
2018 Syrah (Donated RSQ)	0	0	0	0	0	0	0	0.00	0.00	18.00	-	11	158.82	14.44	34.36	
2018 Torrontes (AHC)	0	0	0	0	0	0	0	0.00	0.00	18.00	-	118	1,645.96	13.95	33.20	
2018 White Wine (Field Blend)	0	0	0	0	0	0	0	0.00	0.00	14.00	-	381	5,645.36	14.82	35.26	
Total number of Gallons								0	0	0			59	851.86	14.44	34.36
Total number of Bottles	10,229	-2,983	-413	-246	-145	2,916	9,358		\$ 36,547.84		\$ 154,360.00	3,068	\$ 51,062.67	16.64	\$ 99.61	
Cost Value Totals	\$ 35,760.58	\$ (12,160.63)	\$ (1,480.61)	\$ (935.58)	\$ (436.45)	\$ 15,800.51	\$ 36,547.84		\$ 36,547.84		\$ 154,360.00		\$ 51,062.67	16.64	\$ 99.61	



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Eric D. Smith, Treasurer	Date: March 27, 2019
Subject: Financial Report	Item Number: 4.F.
	Enclosure(s): Page 1 of 3

BACKGROUND

Attached are the income statement and balance sheet for the AHC Viticulture and Enology Foundation as of February 28, 2019.

AHC Viticulture & Enology Foundation
Statement of Financial Position
For The Period Ending 02/28/2019

Assets

Claim on Cash	94,434
Cash on Hand	100
Accounts Receivable	1,659
OS Accounts Receivable	142
Due From Other Funds	485
Inventory-Bulk Wine	51,063
Inventory-Bottled Wine	36,548
Total Assets:	<u><u>184,430</u></u>

Liabilities

Sales Tax Payable	505
Total Liabilities:	<u>505</u>

Fund Balance

Fund Balance, July 1	143,350
Current Income (Loss)	40,576
Total Fund Balance:	<u>183,926</u>
Total Liabilities and Fund Balance:	<u><u>184,430</u></u>

AHC Viticulture & Enology Foundation
Statement of Operations
For The Period Ending 02/28/2019

Revenue

Contributions, Gifts, Grants & Endwmnts	36,847
Non Cash Contribution	2,010
Net Revenue	38,857

Wine Operations

Sales and Commission	48,511
Sales Discounts	(15,203)
Net Sales	33,308
Cost of Goods Sold	(14,998)
Gross Profit	18,310
Total Revenues	57,167

Expenditures

Office/Operational Supplies	7,157
In Kind Supply Expense	2,010
Inventory Allocation Expense	(19,004)
Non Instr Printing	1,476
Food - Business Meetings/Events	2,160
Indep Contractor (Individuals)	1,600
Service Contracts (Businesses)	7,539
Travel - All Travel Costs	2,250
Non-Tech Licenses, Permits, Fees	1,282
Insurance	135
Facility Leases	100
Land Lease	400
Repairs (Labor-Diagnostic)	1,567
Technology Hosting Services	62
Sales Tax Expense	189
Misc Operating Expenses	260
Postage/Express Services	75
Advertising	1,226
Merchant Fees	515
Cash Over and Short	(43)
Equipment	3,136
Scholarships	2,500
Total Expenditures	16,591
Net Income (Loss)	40,576

Fund Balance

Fund Balance, July 1	143,350
Current Balance	<u>\$183,926</u>