

## **Grand jury wants more winery audits**



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Napa County's policy of choosing 20 wineries at random each year to see if they are complying with county rules doesn't go far enough for the grand jury.

Not when Napa County has about 350 wineries actively producing wine, raising the possibility that a winery could go a couple of decades without an audit. Not when winery compliance with county rules has become a hot-button issue in the community.

"The audits are limited in scope and all conditions specified by the use permits are not reviewed," a new Napa County grand jury report said. "This coupled with the relatively small number of wineries audited may not give a full picture of compliance."

Napa County should audit each winery every five years or at intervals the county Planning Commission and Board of Supervisors deem appropriate, the grand jury recommended. In addition, the county should reveal the identities of wineries that fail to receive a clean audit.

Planning, Building and Environmental Services Director David Morrison said Tuesday that the county has yet to formulate its responses to these and other recommendations in the report.

The grand jury called its report "Are Napa County Wineries Following the Rules?"

Napa County's annual winery audit looks at such issues as whether the selected wineries are complying with permitted wine production and visitation limits. It looks at whether wineries required to source 75 percent of their grapes from Napa County are doing so.

For the audits done for 2011 through 2013, 30 percent to 40 percent of the wineries each year failed to meet at least one use permit requirement, the grand jury report said.

The county Board of Supervisors on March 3 discussed code enforcement. It touched on the grand jury idea of identifying the winery audit scofflaws.

“How about we have a wall of shame?” Supervisor Mark Luce said at that meeting. “I think that’s what people really care about — their reputations.”

He suggested later that a wall of shame for winery audit violations could be posted on the Internet. But it was unclear at that meeting whether Luce’s idea will gain traction with his colleagues.

Napa Valley Vintners represents about 500 local vintners. Spokesman Rex Stults on Tuesday said the group holds compliance workshops for its members. About 1,000 people have attended over seven years.

Last summer’s wine audits saw a spike in infractions, some minor, Stults said. Eight of the 20 wineries had an infraction.

“The timing could not have been worse and folks have been latching onto that and are proclaiming the sky is falling,” Stults said. “Hopefully, there is not an overreaction in general.”

Stults didn’t address the grand jury’s recommendations, given that he had just seen them and Napa Valley Vintners has yet to take a position on them.

“Our constant position is all businesses – not just wineries – should be following all relevant laws and regulations,” he said.

Community members are discussing a growing wine industry and its impact on traffic, the environment and other quality-of-life issues, the grand jury report said. The county should determine whether winery laws provide the framework needed to maintain a wine industry consistent with agricultural protection laws, it recommended.

Napa County is already addressing this issue to some extent. The Board of Supervisors held a March 10 growth summit and subsequently appointed an Agricultural Protection Advisory Committee to look at winery and farming issues.

The grand jury report noted the difficulties of determining how many wineries are located in the county. One complication is “virtual wineries” that use brick-and-mortar wineries to do their crushing and processing.

Napa County’s winery data base lists 467 wineries. A county report from March said there are 348 wineries actively producing wine and a Federal Alcohol, Trade and Tax Bureau report for 2014 said there are 603 wineries.

### **Grand jury winery recommendations**

1. Increase the number of wineries audited annually by the county for possible code violations from the existing 20 chosen at random, possibly having each winery audited every five years.
2. Develop a way to monitor and inspect winery water treatment and disposal and water usage.

3. Make inspection reports for non-compliant wineries more transparent to the public, much in the same fashion as restaurant health code violations.
4. Determine whether the Winery Definition Ordinance provides the regulatory framework needed to maintain a wine industry consistent with the Agriculture Preserve Ordinance.
5. Establish and publish a range of penalties and operating restrictions for wineries that don't comply with their use permits.