



MEETING MINUTES

LOCATION

Richbrau Brewing
5 South 20th Street
Richmond, VA 23223

DATE & TIME

Wednesday, March 26, 2025
11 AM

Call to Order

The Chair, Jason Romano called the meeting to order at 11:13 am.

Directors Present

Jason Romano, Chair, Lake Anne Brew House
Aden Short, Vice Chair, P.A. Short Distributing Company
Joseph Guthrie, Secretary, VDACS Commissioner
Matt Mullett, Member, RichBrau Brewing
Greg White, Member, Hoffman Beverage Distribution Company

Others Present In-person

Dakota Rust, VDACS, VBDC Operations Manager
Missy Johnson, VDACS, VBDC Financial Analyst
Staci Saunders, VDACS, VWDC Operations Manager
Ashley Reed, VDACS, Deputy Director of Administrative and Financial Services
Dewey Jennings, PhD, VDACS, Director of Administrative and Financial Services
Justin Bell, Office of the Attorney General, Assistant Attorney General
Brett Vassey, Virginia Craft Brewer's Guild, President and CEO

Approval of Agenda

Chair Romano asked if there needed to be any updates. Mr. Rust alerted the Board that Rachael Zilic would not be able to attend the meeting. Chair Romano made a motion to approve the agenda minus agenda item "A Word from Rachael Zilic." Vice Chair Short seconded the motion. The motion was passed unanimously.

Approval of Draft Minutes

Secretary Guthrie made a motion to approve the draft minutes as written. The motion was seconded by Vice Chair Short, and the motion passed unanimously.

Public Comment

Chair Romano opened the public comment period. There were no comments.

Operations Manager Report

System Demo

Mr. Rust demonstrated the updated keg management workflow to the Board that was developed since the last board meeting. In addition, he presented the dashboard views for retailers and brewers while highlighting new chart and map features.

Budget overview

Mr. Rust presented the updated budget as of February 28, 2025. He explained that VBDC is currently on track with the budget. The remaining general appropriation funds will be allocated for a VBDC mass marketing campaign aimed at retailers throughout the Commonwealth.

Licensing

Mr. Rust provided an update to the Board regarding distribution licenses. Currently, there are 14 licensed locations, 6 pending applications, and 49 breweries that have either registered their accounts, paid the application fee, or pending document submittal. On average, it takes 88 days to obtain a license. There was further discussion with the Board about various reasons some of the breweries are having for the delays. The Board requested that Mr. Rust send a survey to those pending breweries to determine why they have not progressed. Mr. Rust plans to send information in the next monthly newsletter about the breweries that have been distributing with us paying for the initial license fee through the initial sales to help promote VBDC to those pending breweries.

Sales

Mr. Rust updated the Board regarding February sales and products. There was \$4,181 in total sales, \$91.04 in total fees, and just over 4 total barrels sold. There were 64 unique products currently available in the VBDC catalog to purchase and 30 registered retailers. The Board was impressed with the chart that Mr. Rust provided for the meeting and asked that this be available to our constituents at a later date.

Engagement

Mr. Rust updated the Board on the growth of social media since the last meeting. We saw an increase in both Instagram and Facebook followers. Mr. Rust attended multiple seminars, with VBWA and VCBG and presented at the VCBG quarterly seminar with Chair Romano. Mr. Rust was interviewed for a webinar hosted by the Small Business Development Center that can be found on YouTube: [Making the Most of Distribution with the Virginia Beer Distribution Company](#). Mr. Rust showed the map available on the Admin Dashboard showing all the breweries and retailers in the VBDC network.

Business Development

Internal Policies

The Board reviewed and discussed three internal policies that Mr. Rust asked for review and adoption barring any necessary revisions. The policies have been reviewed by Mr. Bell and the VDACS Policy, Planning & Research department.

Returned Payments:

The Chair made a motion to vote on the Returned Payment policy and Vice Chair Short seconded the motion. Mr. White made notes to make changes per state code about the following:

- II., A. Issuance of Checks, ACH Payments and Fintech Transactions- change payments are to be made at the time of delivery.
- II., E. Repayment Deadline- change and make repayment within 7 calendar days.

The Chair moved to approve the policy with the above amendments. The motion passed unanimously.

Distribution Rights Release:

Chair Romano moved to open discussion on the distribution rights release policy. The board discussed that the review and notification process should be standardized to seven days, sending a copy of the surrendered license confirmation email to both ABC and the brewery, as well as noting that pro-rated refunds are not available. There were many changes for Mr. Rust to make and bring back to the Board. Chair Romano withdrew the motion for further review and approval at the next board meeting.

Outstanding Invoices

Chair Romano moved to open discussion on the outstanding invoices policy. The title needs to be updated to Invoices with a section about Outstanding Invoices. Mr. Rust suggested and the board agreed that the policy needs to be broadened to a more comprehensive invoice policy. Chair Romano withdrew the motion for further review and approval at the next board meeting.

Selling and distributing to remote event licensees:

Chair Romano initiated a discussion regarding the policy for selling and distributing beer to banquet and special event licensees within a wholesaler's franchise territory. After the last board meeting, Mr. Rust sought clarification from the Alcoholic Beverage Control (ABC) on whether the signed release agreement should be sent to the Virginia Beer Distribution Company (VBDC) by the wholesaler or the brewer, as this query stemmed from ABC's code section. The ABC, as the authoritative body, indicated that the code is silent on this issue, meaning it does not legally matter who sends the agreement.

After extensive discussion about outstanding concerns, all parties agreed that the release should be sent to VBDC within the standard seven-day period, by both the brewery and its current distributor. The Board requested that a preamble regarding Sovereign Immunity and Indemnification be added to the beginning of the Operating Agreement. This policy document is to be brought back to the next meeting.

Section II of the document will be updated to specify that it refers to breweries currently registered with VBDC, rather than all breweries within the Commonwealth. Mr. Mullett proposed adding policy information related to the licenses of the other eight manufacturers of event licenses. Mr. Vassey and Mr. Mullett will provide Mr. Rust with the necessary information to be included in the policy document. Additionally, there should be a reference to the administrative code, as the ABC uses this for all events. Mr. Rust will revise the policy document for the Board to review before the next board meeting.

Operating Agreement

After streamlining the brewery registration process, Mr. Rust presented an updated Operating Agreement for the Board's approval. Changes included removing the beer pricing list requirement, clarifying how breweries should send its banking information to VBDC, and when transaction paperwork should be sent to VBDC. He explained the rationale behind the revisions and deletions to the Board. Chair Romano made a motion to approve the Operating Agreement as written, except for comment 5.5.2. Mr. Guthrie seconded the motion, and it passed unanimously.

Retailer/Vendor Contracts

Mr. Justin Bell shared information about the large retail contracts we have received from vendors to purchase from VBDC and how he protects VBDC from standard contract clauses that do not align with the VBDC business model. These agreements are a standard business practice for retailers to send to vendors. Despite VBDC being a corporate entity, it still falls under the commonwealth rules. Mr. Bell ensures we do not become vulnerable to burdensome clauses in standard retailer contracts.

Word from Rachael (c/o Dakota Rust)

Rachael Zilic submitted for an award in the Fall of 2024 for the VBDC system, and we won. She will share more information at another date.

Next meeting date

The next board meeting is scheduled for Wednesday, June 11, 2025, at noon at P. A. Short Distributing in Roanoke, VA. Vice Chair Short invited all for a tour after the meeting. Once the policy documents are revised, the Board discussed having a virtual meeting to review and approve before the June meeting.

Adjourn

The meeting was adjourned at 1:15 pm.

