



Washington State Liquor Control Board Meeting

Wednesday, April 9, 2014, 10:00 a.m.
LCB Headquarters Building
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m. on Wednesday, April 9, 2014. Member Ruthann Kurose and Member Chris Marr were also present.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the April 2, 2014, meeting minutes.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

3. ACTION ITEM (A)

ACTION ITEM 3A - Board Approval to File (CR 102) to Revise Brief Adjudicative Proceeding (BAP) Rules

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 1-4). She provided a brief background noting that the Administrative Procedures Act (RCW 34.05.482) gives agencies the ability to utilize an abbreviated administrative hearing process, the Brief Adjudicative Proceeding (BAP), where the issues or interests involved do not warrant use of full adjudicative procedure. The Board adopted rules for Brief Adjudicative Proceedings in November 2012. Revisions to the rules are needed to include marijuana application denials and suspensions in the BAP.

Proposed Changes

Amended Section: WAC 314-42-110 - Brief adjudicative proceedings. Added new sections for marijuana license denials and suspensions to the list of issues where a brief adjudicative proceeding may be conducted.

Amended Section: WAC 314-42-115 - Preliminary record in brief adjudicative proceedings. Added sections for what the preliminary record shall consist of for marijuana license denials and suspensions.

Timeline

April 9, 2014 Board is asked to approve filing the proposed rules (CR 102 filing)
May 7, 2014 Code Reviser publishes notice - LCB sends notice to rules distribution list
May 28, 2014 Public hearing held
May 28, 2014 End of written comment period
June 4, 2014 Board is asked to adopt rules
June 4, 2014 Agency sends notice to those who commented both at the public hearing and in writing
June 4, 2014 Agency files adopted rules with the Code Reviser (CR 103)
June 5, 2014 Rules are effective (31 days after filing)

Ms. McCall then requested approval from the Board to file the proposed rules.

Member Marr clarified that this totally aligns with tobacco, alcohol and marijuana.

Member Kurose supports the effort as it aligns with current BAP policy.

Chair Foster appreciated the hard work of the staff and fully supported the change.

MOTION: Member Kurose moved to approve the filing of proposed rules (CR 102) to Revise Brief Adjudicative Proceeding (BAP) Rules.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

4. WEEKLY MARIJUANA LICENSING UPDATE

Alan Rathbun, Licensing and Regulations Director, provided the following I-502 licensing updates and identified that changes from the prior week:

(10) Licenses Have Been Issued - 9 Producer/Processor and 1 Producer (Increase of 1)

- Spokane
- Bremerton
- Seattle
- Benton City
- Pacific
- Shelton
- Camas
- Sequim
- Spokane Valley
- Everett

(5) Licenses Are Pending Payment - All Producer/Processor (Increase of 2)

- Prosser
- Spokane Valley
- Dallesport
- Port Angeles
- Silverdale

Plant Canopy (Increase of 47,000 Square Feet)

- Licensed - 77,064
- Including licenses pending payment - 126,798

(35) Applications Have Been Referred To Enforcement For Final Inspections

- 15 are complete
- 1 needs follow up inspection
- 8 are scheduled for inspection
- 11 are waiting for applicant to finish build
- 0 are awaiting scheduling
- 7 more applications will be referred to enforcement for final inspection today

Chari Foster asked if staff could provide a future update regarding indoor/outdoor grows having product ready by July when retail stores are ready to open.

Mr. Rathbun will ensure that update is provided.

Member Marr addressed the announcement made last week to streamline the application process by placing a freeze on producer/processor applicant changes until every applicant is through the process. He expressed concern about applicants that encounter unforeseen issues with their respective locations due to zoning issues, landlord issues or ownership changes and asked how those situations are being managed and communicated. He asked staff to evaluate the issue to determine if there is flexibility on this matter. He is concerned that we might be putting producer applicants in a difficult situation.

Mr. Rathbun stated that staff will review this issue and report back during the next Board meeting. He did indicate that hearings will be made available to those applicants that do not qualify.

5. EMPLOYEE ANNOUNCEMENTS

State Service Recognition - Mike Kashmar, Chief Financial Officer Presented

Mr. Kashmar recognized Stefanie Niemela, Accounting Manager, for her 15 years of dedicated service to the State of Washington. He noted that Ms. Niemela began her state career with the Department of Transportation for 8 years in the Regional Finance Office. She also spent 4 years with the Office of Financial Management as an accounting consultant and the LCB was one of her clients at that time. In July 2011 she came to the LCB. Ms. Niemela received the Director's award in 2012 and is a graduate of the Lewis & Clark State College and is working on her Master's degree. She loves animals, especially horses, and is an avid Green Bay Packers fan. He then presented Ms. Niemela with her 15 year award.

New Employee Introduction - Stefanie Niemela, Accounting Manager Presented

Ms. Niemela, Accounting Manager, introduced Rick Fortin, new Marijuana Excise Tax Supervisor. She stated that Mr. Fortin came to the LCB from the Department of Enterprise Services where he had been a supervisor for the last two years. He was in charge of accounts receivable for Consolidated Technology Services and supervised a diverse staff of Fiscal Analysts and Information Technology Specialists. This is the second time Mr. Fortin has been hired by the LCB. He was hired as a non-permanent employee during the I-1183 shutdown where he was an asset to the Byron and the Merchandise Accounting Unit. She welcomed him back to the agency.

Mr. Fortin said he was glad to be part of the culture at the LCB again. He said he ended his service with the Marine Corps about 3 years ago and he, his wife and their 4 month old daughter and are happy to be settling in the area.

6. NEW BUSINESS/OLD BUSINESS

No new or old business reported.

Chair Foster invited citizens to address the Board regarding any issue(s) related to LCB business.

No comments were offered.

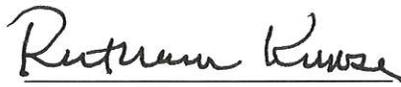
ADJOURN

Chair Foster adjourned the meeting at 10:20.

Minutes approved this 23rd day of April, 2014



Sharon Foster
Board Chair



Ruthann Kurose
Board Member



Chris Marr
Board Member

LCB Mission

Promote public safety by consistent and fair administration of liquor and cannabis laws through education, voluntary compliance, responsible sales and preventing the misuse of alcohol, cannabis and tobacco.

Complete meeting packets will be available online following each meeting: <http://www.liq.wa.gov/board/board-information>