



Washington State Liquor Control Board

Washington State Liquor Control Board Meeting

Wednesday, June 11, 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, June 11, 2014. Member Chris Marr was also present and Member Ruthann Kurose participated by phone.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the June 4, 2014, meeting minutes.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

3. ACTION ITEMS (A-K)

Chair Foster noted that the Board would offer a single motion for Action Items A-F following Ms. McCall's complete presentation on interim policies.

ACTION ITEM 3A - Board Approval of Interim Policy for Distillery & Craft Distillery Changes

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT 3A1). She provided a brief background noting that this is a result of SSB 6226, which passed in the 2014 legislative session creating changes in the Distillery and Craft Distillery Licenses. An interim policy is required until permanent rules are adopted by the Board.

ACTION ITEM 3B - Board Approval of Interim Policy for Senior Center License

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT 3B1). She provided a brief background noting that this is the result of SB 5310, which passed in the 2014 legislative session creating a Senior Center License. An interim policy is required until permanent rules are adopted by the Board.

ACTION ITEM 3C - Board Approval of Interim Policy for Day Spa Permit

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT 3C1). She provided a brief background noting that this is the result of ESSB 5045, which passed in the 2014 legislative session creating a Day Spa Permit. An interim policy is required until permanent rules are adopted by the Board.

ACTION ITEM 3D - Board Approval of Interim Policy for Caterer's License

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT 3D1). She provided a brief background noting that this is the result of ESHB 2680, which passed in the 2014 legislative session creating a Caterer's License. An interim policy is required until permanent rules are adopted by the Board.

ACTION ITEM 3E - Board Approval of Interim Policy for Wine & Cider Growlers

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT 3E1). She provided a brief background noting that this is the result of SHB 1742 allowing additional location wineries to sell wine growlers and SSB 6442 allowing licensees that sell beer growlers to sell cider growlers, which both passed in the 2014 legislative session. An interim policy is required until permanent rules are adopted by the Board.

ACTION ITEM 3F - Board Approval of Interim Policy for Changes to Marijuana Licenses

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT 3F1). She provided a brief background noting that this is the result of ESHB 2304, which passed in the 2014 legislative session creating changes in the Marijuana Processor and Retail Licenses. An interim policy is required until permanent rules are adopted by the Board.

Ms. McCall requested the Board approve Interim Policies A-F.

MOTION: Member Kurose moved to approve Interim Policies A-F.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3G - Board Approval to File (CR 101) for Distillery & Craft Distillery Changes

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3G1-2). She provided a brief background noting that this rulemaking is the result of SSB 6226, 2014 legislative session for changes to the Distiller & Craft Distiller Licenses. The rule making process begins by announcing LCB's intent to propose new rules by filing a CR 101 form. That allows staff and stakeholders to begin discussing necessary new rules. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.

Ms. McCall requested the Board approve filing the (CR 101).

MOTION: Member Kurose moved to approve filing (CR 101) for Distillery & Craft Distillery Changes.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3H - Board Approval to File (CR 101) for Senior Center License

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3H1-2). She provided a brief background noting that this rulemaking is the result of SB 5310, which passed in the 2014 legislative session for Senior Center License. The rule making process begins by announcing LCB's intent to propose new rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary new rules. At the CR 101 stage of the process, no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.

Ms. McCall requested the Board approve filing the (CR 101).

MOTION: Member Kurose moved to approve filing (CR 101) for the Senior Center License.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3I - Board Approval to File (CR 101) for Day Spa Permit

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3I1-2). She provided a brief background noting that this rulemaking is the result of ESSB 5045, which passed in the 2014 legislative session for Day Spa Permits. The rule making process begins by announcing LCB's intent to propose new rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary new rules. At the CR 101 stage of the process, no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.

Ms. McCall requested the Board approve filing the (CR 101).

MOTION: Member Kurose moved to approve filing (CR 101) for Day Spa Permit.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3J - Board Approval to File (CR 101) for Caterer's License

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3J1-2). She provided a brief background noting that this rulemaking is the result of ESHB 2680, which passed in the 2014 legislative session for Caterer's Licenses. The rule making process begins by announcing LCB's intent to propose new rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary new rules. At the CR 101 stage of the process, no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.

Ms. McCall requested the Board approve filing the (CR 101).

MOTION: Member Kurose moved to approve filing (CR 101) for Caterer's License.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3K - Board Approval to File (CR 101) for Wine & Cider Growlers

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3K1-2). She provided a brief background noting that this rulemaking is the result of SHB 1742 for Wine Growlers and SSB 6442 for Cider Growlers, which passed in the 2014 legislative session. The rule making process begins by announcing LCB's intent to propose new rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary new rules. At the CR 101 stage of the process, no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.

Ms. McCall requested the Board approve filing the (CR 101).

MOTION: Member Kurose moved to approve filing (CR 101) for Wine & Cider Growlers.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

4. MARIJUANA LICENSING UPDATE

Becky Smith, Marijuana Licensing & Regulations Manager provided the weekly marijuana licensing update highlighting the following:

Issued Licenses (as of 3:00 pm June 10, 2014)

- 61 licenses have been issued
 - Increase of 11 from last week
 - 47 Producer/Processor
 - 13 Producer
 - 1 Processor
- 0 licenses are pending final processing by CS
- 6 licenses are pending payment
 - 3 Producer/Processor
 - 1 Producer
 - 2 Processor
- Plant Canopy
 - Licensed - 442,181 square feet
 - Including licenses pending payment or final processing - 456,931 square feet

Final Inspections

- 113 applications have been referred to Enforcement for final inspections
 - 77 are complete
 - 2 needs follow up inspection
 - 16 are scheduled for inspection
 - 18 are waiting for applicant to finish build
 - 0 are awaiting scheduling
- 15 more applications will be referred to enforcement for final inspection this week

Producer, Processor, Producer/Processor

- 2277 applications have been assigned
- 19 Licensing Investigators
 - 13 Investigators working just non-retail files
 - 1 Investigator working primarily retail files
 - 5 Investigators are working both retail and non-retail files
- Average case load of 126 per Licensing Investigator (open/active applications)
- 609 applications have not yet been assigned to an Investigator

Retail Applications

- 274 Retail applications have been assigned to 6 investigators
 - 66 applications have yet to be assigned (in areas with moratoria or bans)
- 5 applications are ready for final inspections
- We will not be working applications in areas with moratoria or bans at this time

Deputy Director, Randy Simmons, also provided an I-502 update addressing the following:

- Tax payment process and schedule
- Seed to Sale BioTrack Traceability system including:
 - API (third party vendor access) update
 - Traceability System ADA update

5. EMPLOYEE ANNOUNCEMENTS

Chief Justin Nordhorn, swore in (4) officers and (2) lieutenants.

- A. Swearing In of Officer Douglas Jones
- B. Swearing In of Officer Scott Wernecke
- C. Swearing In of Officer Jesse Mill
- D. Swearing In of Officer Don Williams
- E. Swearing In of Lieutenant Lorn Richey
- F. Swearing In of Lieutenant Jeremy Wissing

Swearing In of Officer Douglas Jones - By Chief Justin Nordhorn

Chief Nordhorn introduced Officer Douglas Jones who joined the LCB as a Liquor Enforcement Officer (LEO) 2, after retiring from the Washington State Patrol (WSP) with 25 years of service. Officer Jones worked as a line trooper in King County for 12 years and spent the last 13 years of his career working in the Impaired Driving Section as a Blood Alcohol Content (BAC) technician. Officer Jones and his wife are raising two children ages 9 and 16 and are kept busy with dance competitions and wrestling matches. In his spare time he relaxes while watching movies. Officer Jones joined the Tacoma team on April 16, 2014. Chief Nordhorn then swore in Officer Jones.

Swearing In of Officer Scott Wernecke - By Chief Justin Nordhorn

Chief Nordhorn introduced Officer Scott Wernecke who joined the LCB after retiring from the WSP with 27 years of service. Officer Wernecke is also a Staff Sergeant in the Washington State Air National Guard assigned to the 194th Security Forces at Camp Murray. Officer Wernecke and his wife Frankie have 5 sons with two are on active duty in the military. In his free time he enjoys fishing, hunting horseback riding and restoring classic cars. Officer Wernecke joined the Region 3 team on May 17, 2014 and is assigned to the Mountlake Terrace enforcement office. Chief Nordhorn then swore in Officer Wernecke.

Swearing In of Officer Jesse Mill - By Chief Justin Nordhorn

Chief Nordhorn introduced Officer Jesse Mill who joined the LCB on June 1, as an LEO 2. After retiring from the Kennewick Police Department (PD) with 30 years of service Officer Mill retired as a Sergeant with past experience as a detective, instructor, K-9 handler, Community and School Services supervisor and patrol. After he retired Officer Mill accepted a position as a Law Enforcement Professional in Afghanistan mentoring and training with the US Army and Afghan Police for 2 yrs. After returning to the United States he was an instructor for Safety and Drivers training with a private company with Federal and State contracts. Officer Mill and his wife, Jeani, enjoy camping and riding motorcycles. They stay busy with 5 children and 7 grandchildren, range in age from 1 to 11 years old. Officer Mill will join the non-retail marijuana unit, reporting to Lieutenant Wissing, and will be assigned to the Pasco office. Chief Nordhorn then swore in Officer Mill.

Swearing In of Officer Don Williams - By Chief Justin Nordhorn

Chief Nordhorn introduced Officer Don Williams who joined the LCB as an LEO 2 after his retirement from the Tacoma PD in December of 2013, after 24 years of service. Officer Williams has 2 grown children and 3 granddaughters. He is happily married to his second wife Kristina and helping to raise his 13 year old stepson. In his free time, he enjoys woodworking, restoring and repairing cars and riding motorcycles. Officer Williams is assigned to Region 1 and will be joining the Olympia enforcement team on June 1. Chief Nordhorn then swore in Officer Williams.

Swearing In of Lieutenant Lorn Richey - By Chief Justin Nordhorn

Chief Nordhorn introduced Lieutenant Lorn Richey who promoted from Sergeant to Lieutenant on April 16. He is assigned to the Non Retail Marijuana Unit and works out of the Mountlake Terrace office. Lieutenant Richey comes to this new position with over seven years of experience as an enforcement officer for the LCB. Lieutenant Richey is a Criminal Justice Training Commission (CJTC) certified as a Field Training Officer (FTO), a Certified Defensive Tactics Instructor, a certified Lean Six Sigma Greenbelt and also holds a Master's degree in of Public Administration from Seattle University. Chief Nordhorn then swore in Lieutenant Richey.

Swearing In of Lieutenant Jeremy Wissing - By Chief Justin Nordhorn

Chief Nordhorn introduced Lieutenant Jeremy Wissing who also promoted from Sergeant to Lieutenant on April 16, for the Non-Retail Marijuana Unit of the Enforcement Division. Lieutenant Wissing comes to this position with almost six years of experience as an enforcement officer for the LCB and over 3 years of experience as a supervisor with previous employers. Jeremy is CJTC certified as a FTO and has a Bachelor's in Aviation Administration (Cum Laude) from California State University, Los Angeles. Chief Nordhorn then swore in Lieutenant Wissing.

6. NEW BUSINESS/OLD BUSINESS

No new or old business was reported.

Chair Foster invited citizens to address the Board regarding any issue(s) related to LCB business. No one offered comment.

ADJOURN

Chair Foster adjourned the meeting at 10:50.

Minutes approved this 25TH day of JUNE, 2014



Sharon Foster
Board Chair



Ruthann Kurose
Board Member



Chris Marr
Board Member

Minutes Prepared by: Maureen Malahovsky, Confidential Secretary to the Board

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