



# Washington State Liquor Control Board

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## Washington State Liquor Control Board Meeting

Wednesday, January 7, 2015 10:00 a.m.  
LCB Headquarters - Boardroom  
3000 Pacific Avenue SE, Olympia WA 98501

### Meeting Minutes

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#### 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, January 7, 2015. Member Ruthann Kurose and Member Chris Marr were also present.

#### 2. APPROVAL OF MEETING MINUTES

MOTION: Member Marr moved to approve the December 17, 2014, meeting minutes.

SECOND: Chair Foster seconded.

ACTION: Motion passed unanimously.

#### 3. ACTION ITEMS (A-C)

##### **ACTION ITEM 3A - Board Approval of (CR 102) for Outside Service Requirements**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3A 1-3). She provided a brief background noting that this rulemaking is the result of a petition for rulemaking submitted by the City of Seattle and the City of Spokane. The specific request is to revise the outdoor service area barrier requirement. Both Seattle and Spokane have active sidewalk café permitting programs. They have found the 42 inch barrier requirement may have a doubly negative effect on their street level environment. First, there is limited walkable space and the barrier requirement further encroaches on the remaining walkable zone, thereby limiting pedestrian access. Second, the barrier requirement around tables and chairs often does not allow enough room for pedestrians, which results in restaurants being denied the opportunity to have outdoor seating and the opportunity to expand their business. The cities of Seattle and Spokane are requesting the Board allow local jurisdictions to decide where barriers are appropriate.

### Proposed Changes

Amended Section: WAC 314-02-130 - What types of changes to a licensed premises require Board approval? Added new subsections allowing an exception to the 42 inch barrier for outside service areas if certain requirements are met. The exception does not apply to beer gardens, standing room only venues, and permitted special events.

### Timeline

January 7, 2015	Board is asked to approve filing the proposed rules (CR 102 filing)
January 21, 2015	Code Reviser publishes notice - LCB sends notice to rules distribution list
February 11, 2015	Public hearing held
February 11, 2015	End of written comment period February 18, 2015
February 18, 2015	Board is asked to adopt rules
February 18, 2015	Agency sends notice to those who commented
February 18, 2015	Agency files adopted rules with the Code Reviser (CR 103)
March 21, 2015	Rules are effective (31 days after filing)

Ms. McCall noted that this change would not compromise public safety. She then requested approval from the Board to file proposed rules.

Member Marr thanked Ms. McCall for her hard work and shared some history on the subject.

MOTION: Member Kurose moved to approve the (CR 102) for Outside Service Requirements.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

### **ACTION ITEM 3B - Board Approval of (CR 102) for Spirits Retail License Tastings**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3B 1-3). She provided a brief background noting that this rulemaking is the result of a petition for rulemaking submitted by Cindy Zehnder, on behalf of Total Wines & More and Diageo, to delete the sentence "Spirits samples must be unaltered" from WAC 314-02-106. Total Wine & More would like the ability to alter spirits with mixers, water, and/or ice, and better educate their customers about the unique qualities of their products and provide them with ideas for how those products can be served.

### Proposed Changes

Amended Section: WAC 314-02-106 - What is a spirits retail license. Added language to allow spirits samples to be altered with mixers, water, and/or ice.

### Timeline

January 7, 2015	Board asked to approve filing the proposed rules (CR 102 filing)
January 21, 2015	Code Reviser publishes notice - LCB sends notice to rules distribution list
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March 21, 2015	Rules are effective (31 days after filing)

Ms. McCall noted that this change would not compromise public safety. She then requested approval from the Board to file proposed rules.

MOTION: Member Kurose moved to to approve the (CR 102) for Spirits Retail License Tastings.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

**ACTION ITEM 3C - Board Approval of Suquamish Indian Tribe Memorandum of Agreement (MOA)**

Sharon Hendricks, Compliance & Policy Manager, began the briefing with materials (HANDOUTS 3C 1-2) including an issue paper as well as the MOA. She provided a brief background noting that the MOA negotiations with the Suquamish Tribe began in September of 2013. The process began during an initial face to face meeting with the tribe at the Suquamish Clearwater Casino Resort. The meeting included a tour of their various liquor outlets. Negotiations continued with several meetings at LCB Headquarters and various drafts of the MOA going back and forth. The agency has successfully negotiated a MOA with the tribe’s wholly owned entity, Port Madison Enterprises.

Ms. Hendricks then stated that the MOA requires the Board and the Agency Director to sign off on the agreement, indicating their approval.

MOTION: Member Kurose moved to approve the Suquamish Indian Tribe MOA.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

**4. MARIJUANA LICENSING UPDATE**

Becky Smith, Marijuana Licensing & Regulations Manager, provided the weekly marijuana licensing update by first reporting that that they have no applications waiting to be assigned. She then provided the following highlights:

Producer/Processor Applications

- 363 Producer/Processor licenses have been issued
  - 266 Producer/Processor - 69 Producer - 28 Processor
- 22 licenses are pending payment
- 14 moved to enforcement for inspection
- 55 are waiting for applicant to build/hold

## 3,618,509 M Square Feet Approved for Plant Canopy

### Retail Applications

- 104 retail licenses have been issued (86 are currently reporting sales)
- 7 are pending payment
- 12 moved to enforcement for inspection

### Change Report

Change in operating plans - In process: 53 Completed: 18

Change in governing people - In process: 16 Completed: 1

Change in location - In process: 3 Completed: 0

Add a financier - In process: 5 Completed: 2

Assumption - In process: 2 Completed: 0

Ms. Smith noted that there are some applicants that have not begun operating and they will be soon receiving withdraw letters from LCB informing them that they would have 30 days to make progress.

Chair Foster asked if the Board could see an example of a withdraw letter. Ms. Smith said she would forward a template.

## **5. EMPLOYEE ANNOUNCEMENTS**

### State Service Recognition - Director Rick Garza Presented

Director Garza recognized Randy Simmons, Deputy Director, for 15 years of service to the State. Mr. Simmons has been with the Liquor Control Board since March 2002. He has worked for the State of Washington for approximately 15 years in multiple positions. His LCB experience includes Director of the Finance Division, Director of the Administrative Services Division, and I-502 Project Implantation Manager with LCB. He also served as Business Manager for the Department of General Administration. In 2006 Mr. Simmons received the Governor's Award for Leadership in Management for implementation of risk management practices that reduced over \$400,000 a biennium in cost to the agency. In November 2013, Seattle Magazine named Mr. Simmons one of the year's most influential people due to his efforts to implement I-502.

Mr. Simmons expressed his appreciation and said the time has gone quickly and it has been a blast.

### State Service Recognition - Director Rick Garza Presented

Director Garza recognized Claris Nnanabu, Human Resources Director, for 25 years of state service. Ms. Nnanabu has been with the Liquor Control Board since April 2011. Her state service experience includes Medical Treatment Adjudicator with Department of Labor and Industries, Lead Investigator with the Human Rights Commission, Performance and Organization Auditor with the Department of Social and Health Services, Deputy HR Director with Department of General Administration, and Assistant Superintendent of HR with the Superintendent of Public Instructions. Ms. Nnanabu's accomplishments have been recognized by multiple governors including Booth Gardner, Gary Locke and in 2013 by Jay Inslee as a Distinguished Manager in Leadership.

Ms. Nnanabu said it has been a pleasure to work for the LCB and this is her favorite agency by far. She also said she was going to miss Chair Foster and Member Marr.

## 6. NEW BUSINESS/OLD BUSINESS

Chair Foster noted that the Governor's Office should be releasing a press release later today announcing the Governor's decision on new board member appointees.

Chair Foster then invited citizens to address the Board regarding any issue(s) related to LCB business. No citizens came forward.

## ADJOURN

Chair Foster adjourned the meeting at 10:30.

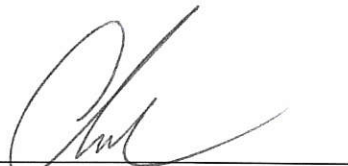
Minutes approved this 14th day of JANUARY, 2015



Sharon Foster  
Board Chair



Ruthann Kurose  
Board Member



Chris Marr  
Board Member

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

### 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 are available online: [http://lcb.wa.gov/boardmeetings/board\\_meetings](http://lcb.wa.gov/boardmeetings/board_meetings)

For questions about agendas or meeting materials you may email [maureen.malahovsky@lcb.wa.gov](mailto:maureen.malahovsky@lcb.wa.gov) or call 360.664.1717