



**Tribal Advisory Council**

**Meeting Minutes  
December 7, 2011, 1:00 p.m. – 3:00 p.m.  
Liquor Control Board  
3000 Pacific Avenue  
Olympia, WA 98504  
Conference Room 201**

**Tribal Advisory Council Members in Attendance:**

<p><b>Tribal Members:</b></p> <ul style="list-style-type: none"> <li>Deryl Brown-Archie, Muckleshoot</li> <li>Ted Knight, Spokane Tribe</li> <li>Nathan Schreiner, Squaxin Tribe</li> <li>Ron Myers, Squaxin Tribe</li> <li>Michael Olguin, Stillaguamish Tribe</li> <li>Chris R., Chehalis Tribal Enterprises</li> <li>Tim Brewer, Tulalip</li> <li>Rickie Armstrong, Tribal Attorney, Nooksack Indian Tribe</li> <li>Chris Masse, Nooksack Tribe</li> <li>Rion Ramirez, Suquamish Tribe</li> <li>Gary Sutter, Northern Quest Resort &amp; Casino, Kalispel Tribe</li> <li>Lea Ann Easton, Samish Indian Nation</li> <li>Alix Foster, Swinomish Tribe</li> <li>Aubrey Seffernick, Miller Nash</li> <li>Jerry Allen, Jamestown S’Klallam Tribe</li> <li>Kelly Croman, Marine View Ventures, Puyallup</li> <li>Mardee Rodrigues, Muckleshoot Tribe</li> <li>Kelly Croman, Marine View Ventures, Puyallup</li> <li>Noel Higa, Port Gamble S’Klallam Tribe</li> <li>Steven Moe, Port Gamble S’Klallam Tribe</li> </ul>	<p><b>Liquor Control Board (LCB):</b></p> <ul style="list-style-type: none"> <li>Sharon Foster, Chair</li> <li>Ruthann Kurose, Board Member</li> <li>Chris Marr, Board Member</li> <li>Pat Kohler, Administrative Director</li> <li>Rick Garza, Deputy Director</li> <li>Alan Rathbun, Licensing Director</li> <li>Pat McLaughlin, BE Director</li> <li>Karen McCall, LCB Rules Coordinator</li> <li>Justin Nordhorn, Chief of Enforcement</li> <li>Randy Simmons, Administrative Services Director</li> </ul>
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**Also in attendance:** Mary Tennyson, Senior Asst. Attorney General

*Welcome and Introductions*

**Ruthann Kurose, Board Member and TAC Liaison**

Ruthann Kurose welcomed the members of the Tribal Advisory Council (TAC) and introduced Chris Masse, sitting in for the co-chair, Ron Allen. Introductions were made by all meeting attendees. Ruthann noted that, with the passage of Initiative 1183, the LCB was entering a transitional phase, divesting itself of the Business Enterprise functions of the agency. Ruthann expressed the intent to avert any harm to tribes as prescribed in the initiative, to move forward

with tribal agreements as the LCB transitions into a new model, and to continue to respect the unique government-to-government relationships with tribes.

### *Transitional Timeline and Challenges*

#### **Pat Kohler, Administrative Director**

Pat Kohler highlighted key dates associated with the LCB's transition based on I-1183 (see Liquor Control Board Transition Efforts Underway handout). She noted that the December 8, 2011 date for Spirits Distillers and Craft Distillers to sell direct to restaurants had changed to March 1, 2012. This decision was based on a need to more fully examine the taxes and fees structures associated with those transactions, as part of ensuring an orderly transition.

Per Pat, the LCB's goal is to have spirit suppliers sign buy back agreements to purchase inventory that hasn't been sold on the last day of business in order to help manage potential risks associated with having the inventory on hand. On June 1, 2013, all remaining assets such as the Distribution Center, any remaining fixtures, and any leftover inventory that wasn't included in a buy-back agreement would have to be liquidated.

Pat communicated some of the challenges facing the LCB during the transition, associated with employees, operations, and stakeholders. For those Contract Stores and Tribal Stores choosing to transition their business into the new model, Pat stated that the Board will attempt to provide as much assistance as possible to avert harm.

### *Licensing Rulemaking Update*

#### **Rick Garza, Deputy Administrative Director**

Rick provided an I-1183 Rulemaking Plan to attendees (see handout). He emphasized to the group that, based on the effective date of the initiative (December 8, 2011) a number of new endorsements and licenses would be available. Attendees were encouraged to visit the LCB's website for more information ([www.liq.wa.gov](http://www.liq.wa.gov)).

Karen McCall, Agency Rules Coordinator, highlighted the upcoming emergency and permanent rulemaking to be brought to the Board for approval over the next months. Attendees were encouraged to contact Karen to be added to an email distribution list for rulemaking, so that they may be aware of all items presented to the Board.

### *Business Transition Plan*

#### **Pat McLaughlin, Director of Business Enterprise**

Pat highlighted the requirements of I-1183 as pertaining to the Business Enterprise, including depletion of all liquor-related inventory by May 31, 2012, ceasing the purchase, distribution and sale of liquor after May 31, 2012, obtaining maximum or reasonable value on any asset sold, and ensuring just and reasonable efforts to avoid harm to our tribal partners as well as Contract Liquor Stores and military outlets.

Pat mentioned a potential partnership with the supplier community to obtain buy-back agreements for product, minimizing the chance of severe product depletion in stores, as well as the likelihood of LCB ownership of product beyond June 1, 2012. Per Pat, a project plan for this and other components of the transition will be available in the coming months.

Pertaining to Tribal contracts, attendees were encouraged to contact Rick Garza and Pat McLaughlin with any questions or concerns, including inquiries regarding amendments. Contractual relationships between Tribes and the LCB dissolves after May 31, 2012.

*TAC Member Roundtable and Q&A*

**All Attendees**

Throughout the meeting, attendee questions were documented, with answers to be provided at a later date (see TAC Q&A document posted with these minutes).

**Meeting adjourned at 2:35 p.m.**

**Handouts:**

1. Liquor Control Board Transition Efforts Underway
2. I-1183 Rulemaking Plan-November 2011
3. Privatization I-1183 (version 4)