



Washington State Liquor and Cannabis Board Meeting

Wednesday, July 5, 2023, 10:00 am

This meeting was held in a hybrid environment

Meeting Minutes

1. CALL TO ORDER

Chair Postman called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 am on Wednesday, July 5, 2023. Member Ollie Garrett was also present.

2. RULEMAKING TIMELINES – ALL INDUSTRIES

Kathy Hoffman, PhD, MPA, Research Manager

Kathy Hoffman: All right. Thank you, Chair Postman. Good morning to you and Board Member Garrett. I'm going to make this brief since I provided a pretty comprehensive rulemaking update in Caucus last Monday. Not a lot of change in rulemaking timelines for us on the Cannabis side or the Alcohol side, although I do have an update and that has to do with personnel changes since Cassidy will be our new Rules Manager as of July 16th. Really happy to share that again with you in the Board meeting today. I will take the rulemaking concerning the implementation of the social equity Legislation from this last session that will follow me into the research unit.

And I'll also be taking a private club membership -- I'm sorry, Private Club Membership and Trade Area rulemaking with me into the research manager -- or research unit as well. So just sharing that as kind of a general update. I also want to let you know, and I shared this on Monday, that the rulemaking related to the other implementation of 5448, so that's the consolidation of the MAST 13 Permit review and 5448 Implementation has been delayed by two weeks, so Daniel will bring the 101 to you on that on the 19th rather than today, as we had planned. But that's really it for a rulemaking update today.

3. ALCOHOL RELATED RULEMAKING

ACTION ITEM 3A – Board Approval of CR 102 for Private Club Membership Drives

Kathy Hoffman, PhD, MPA, Research Manager

Kathy Hoffman: Yes. All right. Thank you very much again. I'd like to ask for your approval to file a CR 102 on proposed rules regarding private club membership drives (HANDOUT 3A). By way of background, this project was initiated by a rule petition that we received in July of 2022, so almost a year ago. And the Board approved and accepted that rule petition on September 14th

last year. Unfortunately, there were several delays in moving this project forward, but by early May, conceptual draft rule language was developed because the language was relatively straightforward. And then we're proposing to increase public membership drive functions from one to two days per calendar quarter provided that membership drives be held on two consecutive days per calendar year and provide that there needs to be at least seven days between membership events. We solicited feedback through GovDelivery rather than holding an in-person or sort of hybrid Listen & Learn session for these rules. So all of the written feedback that we received was highly supportive in nature.

The proposal before you today is identical to the draft conceptual rules that we offered to our stakeholders for consideration and comment. I'd like to point out that we don't anticipate any compliance costs associated with the proposed rules. And, in fact, our analysis indicated that the revisions are anticipated to support continuation, expansion, and sustainability of needed community service provisions that many private clubs like Kiwanis, Lions, Shriners, and others provide to our communities. And these provisions of service also support our states, in particular, our agency's social equity goals as well. So if approved for filing today, the public hearing would be held on August 16th, and we could present -- final rules for adoption as early as August 30th, assuming there are no changes, with an effective date of September 30th. And so with that, I'd ask for your approval to file the CR 102 today. Happy to answer any questions.

Chair Postman: I just had one. You were just mentioning that many of these private clubs provide public services, such as the Kiwanis and that, is there a requirement for private clubs to have any public service component to do it?

Kathy Hoffman: No, no. It's just a feature of many of the private clubs that we allow to have these club drives and serve alcohol.

Chair Postman: Okay. Interesting. Great. Seeing no other questions, then I would look for a motion to approve the CR 102 for Private Club Membership Drives.

Member Garrett made a motion to approve the CR 102 for Private Club Membership Drives. Chair Postman seconded. The motion was approved.

ACTION ITEM 3B – Board Adoption of CR 103 for Second Substitute Senate Bill 5448 Regarding Liquor Licensee Privileges for the Delivery of Alcohol
Kathy Hoffman, PhD, MPA, Research Manager

Kathy Hoffman: All right. Next is approval for the CR 103 for Second Substitute Senate Bill (SSSB) 5448 regarding Liquor License Privileges for the Delivery of Alcohol (HANDOUT 3B). For those unfamiliar, SSSB 5448 or Senate Substitute Bill 5448 made some of the temporary COVID 19-related provisions of 2021 Legislation, and that was Engrossed Second Substitute House Bill 1480 permanent and extended the sunset on other provisions through July 1, 2025. So as you know, the agency relied on the exception rule process for this project because the statute went into effect on July 1, and we needed to incorporate parts of the Legislation that did

not materially or substantively change existing rule but rather removed expiration dates or referred to the new sunset date in five specific sessions of rule. These rules will provide alignment with statute along with the regulatory stability and predictability that our stakeholders and other interested parties seek.

So with respect to the outdoor service rules, we removed all reference to the rules expiring on July 1, 2023, so last Saturday, and that pertains only to two sections of rule, which are WAC 314-03-200 and 314-03-205. And with respect to Alcohol endorsements for to-go sales, these endorsements will now continue to be available to very specific license types through July 1, 2025 rather than expiring last Saturday, and that's reflected in the next three sections of rule, which are WAC 314-03-500, 314-03-505, and 314-03-510. No other changes are being proposed for adoption. This is very specific and limited changes.

We did receive three comments at the public hearing on June 27th relating to reducing the amount of spirits that may accompany a meal that's delivered by certain of our alcohol licensees. Consistent with rule adopted in 2021, we worked with licensees, public health, and many stakeholders to land on the current 3 oz. per meal that is currently listed in rule. SSB 5448 does not speak to this limit and considering such a change falls outside of the scope of this rulemaking. And, in fact, it would require standard rather than exception rulemaking. So for this reason, the rules before you today do not reflect those comments. So if approved for filing, I will file with the Code Reviser, and the rules will become effective immediately. So I'd ask for your approval to file this 103, and happy to answer any questions.

Chair Postman: Any questions, Member Garrett? No? Okay. Then is there a motion for the Board to adopt the CR 103 for Second Substitute Senate Bill 5448 regarding liquor license privileges for the delivery of alcohol?

Member Garrett made a motion to approve the CR 103 for Second Substitute Senate Bill 5448 Regarding Liquor Licensee Privileges for the Delivery of Alcohol. Chair Postman seconded. The motion was approved.

ACTION ITEM 3C – Rules Petition Review and Consideration Regarding Biometric Age Verification

Daniel Jacobs, Policy and Rules Coordinator

Daniel Jacobs: Good morning, Chair Postman, and Member Garrett. I'm coming to you today to present a response to a petition for rulemaking that was submitted on May 17th by Claire Mitchell of Stoel Rives (HANDOUT 3C). I went into detail about this petition response during the Caucus last week, but I'll just briefly go over it. Essentially, this petition is asking for changes to five separate sections of Washington regulations: WAC 314-01-005, which I'm going to call the Definitions Regulation; 314-11-020, which I'll call the Underage Sales; 314-11-025, the Acceptable ID Regulation; 314-17-025, the Permit Carry; and 314-17-110, the Permit Violation Regulation. I'm recommending that of these five requested changes that three of the five be adopted and that two of them be rejected. The definition regulation explicitly points to a statute

that doesn't exist anymore. I talked about that in detail last time in Caucus. So I think that we should accept the request to change the regulation because it points to a statute that doesn't exist anymore.

The requested change to underage sales regulation, that is necessary for the same reason as the definition regulation request, but if we just change the definition of the phrase at issue, we can actually solve the issue -- solve the problem with both regulations. And that phrase, again, for reference is "cards of identification." Like I said, that was defined in statute. That statute was repealed by 1183.

Chair Postman: Wait, hold on one second, Mr. Jacobs. Let's go back to #2. So is there a staff recommendation to accept, or do we not need to accept on that one?

Daniel Jacobs: We don't need to accept the request for amending 314-11-020. If we change the definition in 314-01-005.

Chair Postman: So if we accept #1, we can decline #2?

Daniel Jacobs: Yes. And the reason is because the petitioner's asking to just remove the phrase "cards of identification" from our definitions entirely. And if instead of deleting the phrase -- because they're proposing that we delete the phrase from both the definitions regulation and the underage sales regulation. But if instead of deleting the definition, we just change it to point to the acceptable ID regulation, then we don't need to delete it from the second one.

Chair Postman: Okay. Yeah.

Daniel Jacobs: So if we take a different course, we can solve that problem. And then if it turns out in other places in Title 314 WAC, this "card of identification" phrase pops up, we don't need to then delete that also.

Chair Postman: Right.

Daniel Jacobs: We can just say we amended the definition so that now it is defined in terms of something that isn't an obsolete statute.

Chair Postman: Got it. Okay.

Daniel Jacobs: I'm sorry, I glossed over that super quick.

Chair Postman: That's all right. I want to have clear notes on what the recommendations are for all five. So go ahead. Sorry.

Daniel Jacobs: No, not a problem. Jumping to the 4th and 5th one, 314-17-025 and 314-17-110. Those are regarding the MAST Permits. The same problem exists in both, which is both of

those point to the statute that got repealed in 1183. If we simply remove the citation of that RCW and instead cite to our accepted ID regulation, we can solve that problem. But similar to the first one, we should accept those, the 4th and 5th. We should accept requests 4 and 5 because the petitioner is correct that we have rules on the books that are referring to statutes that don't exist anymore, and where we can correct that, we should. So the staff recommendation is to accept the recommendations on 4 and 5. We can accept the recommendation on #2 if it is easier. It's just that we don't have to -- if we go with a different course of action on the first one, but that gets to the sort of the meat of it. And the part that's the most sort of topic, which is the biometric ID part, and that's for 314-11-025, which is our acceptable ID regulation. That identifies the types of ID that are -- that you can present at places that sell alcohol to verify that you are over 21.

Currently, it lists driver's licenses, passports, military ID, merchant Marine ID, Tribal ID, and other kinds. And there is also already a petition that has been accepted to add Global Nexus ID to this list, and that's in the queue for rulemaking. I don't know exactly when we'll get to it, but that is on the list. So we are already going to be amending 314-11-025. That's already scheduled to be determined when that's going to happen. But here, the petitioner is requesting to put all of those forms of identification in one category and then add biometric age verification systems as another category. And that is briefly where some software or some third-party company would associate a biometric identifier, which is like your fingerprint, or your retinal scan, or your voice print, and associate that with your government ID. And the idea being that you would go to some venues, and instead of having to show them your ID, you could scan your fingerprint, and then it would be connected to some kind of software that would then pull up your ID.

We talked about this a little bit last time, but I've done some more in-depth research on it, and I did also need to clarify some statements that I'd made last week. One of them was that the Board asked about using a pilot project for in response to this petition, and at the time I said that I didn't see an issue with it. But after talking to our friends in Licensing, I did want to clarify that pilot projects are typically done through the Licensing Division, and they're done in accordance with their regulations in a specific process. And so we typically don't initiate pilot projects in response to rule petitions, and I wouldn't want to give the impression to the petitioner that this would definitively become a pilot project. It could be presented for consideration of whether or not it would proceed as a pilot project, but I would just want to be clear that it's not like I can say, "Oh, yes, it will be a pilot project", because that's ultimately not my call. That's for folks in a different part of the agency to decide.

Additionally, I was asked to look into some other Legislation and how some other states have done it. I was asked these questions during Caucus, so I just wanted to follow up on that. House Bill 1155 was passed during this most recent Legislative Session. In the House, that Bill is called the Washington My Health My Data Act. And while it really relates to different companies then we're talking about here, if this petition were accepted, we would most likely need to look at that Legislation to see if it would apply. The Washington My Health My Data Act is meant to focus on health care companies and that sort of thing. I think a good example also is when folks

register their fingerprint with their phone so that you can sign into your bank or whoever it is, or your health care app. Just using your fingerprint on your phone rather than having to remember your password for each and every one, you end up registering the fingerprint with, I think, Google or Apple, depending on whatever kind of phone you have, and then they give -- you give that company permission to share the data so that you can use your fingerprint or facial recognition.

Or facial recognition, you can hold the phone up to your face and then it signs in. I think that's a -- and I didn't bring up -- I wish I would have brought this example up last time because I feel like that might be a more readily example that folks are more familiar with. But this again something that's kind of different because it's not where your fingerprint is already with a company like Google or it's on your phone and it's used to unlock devices and apps. This would be where another company that's licensed with the venue or with the liquor licensee has that information. You register it with them and then you can go to whatever locations and not present your photo ID or not present your ID as would normally be required.

The other part that I did want to talk about was what other states are doing currently. I had mentioned that Colorado has something similar to this. I put a citation into the specific Colorado Alcohol Regulation, and it's currently used at the Colorado Rockies Field. The other state that allows it is Arizona. I'm not sure whether Arizona's stadiums are currently employing it. And then Member Vollendroff -- I know he's not here -- but he mentioned some other states that he was curious about, and the other states he mentioned were Georgia and Maryland. And what I found was that Georgia and Maryland have something slightly different. What they have is mobile ID for driver's licenses, and that's done through their DMVs, essentially, so that's where instead of if some cop pulls you over and asks to see your ID, instead of pulling out your physical ID, you can have it on your phone in your Apple wallet, or whatever it is, and show that to them. Now, whether or not that means that also in Georgia and Maryland you can show your ID at bars, that's a slightly different question because that's focusing more on the form of valid identification as their driving authorities consider it rather than just for alcohol purposes.

And I looked into this. Our Department of Licensing in Washington doesn't appear to have that option currently available to it. If they did -- if something happened and a law was passed that they did allow the Apple ID driver's licenses on our phones in our state, we probably would -- or we may look into it if we in turn would allow it. But just talking about the examples of Georgia and Maryland, those are broader than this request here. I know that was a lot of additional extra information, so I'm happy to pause for questions.

Chair Postman: All right. I appreciate that. Questions, Member Garrett?

Ollie Garrett: So we have a petitioner asking us to start accepting this as a form of ID broadly? Or is this someone within a stadium? What? What is this request?

Daniel Jacobs: So that's not clear from the language of the request. The request itself was attached. They had -- I can say they had reached out to the rules team in advance to ask how to

best format their request because they were planning on asking for requests to multiple sections of rule, and so they wanted to make sure that they could submit a request, a single petition with five rule sections. But they aren't proposing that this be implemented in a specific stadium or in a specific context. The request is just to change these sections of rule in these ways, and their reason is to allow for business flexibility and to sort of modernize our implementation with technology.

Ollie Garrett: If something like this was in place in order for it to be utilized the business, the stadium, the whatever would have to have technology themselves to utilize something like this, correct?

Daniel Jacobs: Yes. They would need to -- sign up, and that is part of their proposed definition because the petitioner is proposing that we add definitions of biometric identifiers and a biometric age verification system that include safeguards. It says, you know, it has to be kept encrypted. It has to be stored by a third-party carrier that has certain assurances and complies to certain data requirements. If we were to accept this recommendation, a venue or licensee in order to take advantage of this option would have to sign up with some sort of service so that instead of when you go into the bar or wherever it is and showing your ID, they have some kind of -- you scan your fingerprint. So they would have to register with some sort of service.

Chair Postman: Yeah. And there's one issue, so if we were to accept all this and implement it as the petitioner envisions, any licensee could use biometric system for age verification on the Alcohol side. A bar, a liquor store, beer hacker, whatever it might be at the stadium, but there is nothing built in that gives us insight into what the system is or what the standards that system operates to, is there?

Daniel Jacobs: So that was something I pointed out. So the proposed definition does say that it would need to be encrypted and secure, and it uses -- I mean, one of my concerns was when I raised it, I was like, we would need -- I don't think that if we were to have kept this petition, I don't think that we could accept the petitioner's language as proposed. I think we would need to go into much more detail to talk about what secure means, and we would have to get our IT Division and maybe other -- we, yeah. We would have to go more in depth about the sort of parameters of these vendors of these companies.

Ollie Garrett: So it sounds like this is too broad to even consider but, at the same time, the concept. So if a stadium or something specific and pertaining to something specific comes to us, that's when License can decide based on putting some parameters in place to try to do a pilot or something like this. Is that correct or not?

Daniel Jacobs: Yeah. That would be up to Licensing.

Ollie Garrett: Because we've had stadiums and these people come to us with something to try new and to kind of -- we work through with them to do a pilot.

Chair Postman: Yeah, we have statutory authority.

Ollie Garrett: Right.

Chair Postman: If we have consistent statutory authority and just set aside whether it's one division or the other division of the LCB that does it, I think if the Board is interested in trying to do a pilot program, the question we have to answer is -- what is our statutory authority? Because I think we are going to get some -- we're going to run up close to some of the recent Legislation related to facial recognition, and it's kind of new territory in that if the LCB were proposing facial recognition technology, say, for applicants, for licenses, there's a fairly specific and stringent process we would have to follow before we could do such a thing under this existing statute. That's not what we're doing here, though, but it's a state action that would allow a private entity to use facial recognition. And I think the question will come up and already has come up in my conversations, is should that in fact trigger the same review and the same process as the state use of facial recognition. I would say no, but some people have told me yes. So I think there are other questions.

But what I would say, Member Garrett -- and I think this goes back to what Member Vollendroff asked about with the pilot program -- if the Board is interested in that, we can, in fact, pursue that with staff and see what the method of doing that is. And I would just say without passing judgment on the end result, this is a big step, and it would make sense to me to try this as a pilot before it was deployed to every one of our Alcohol licensees.

Ollie Garrett: Right. And I agree. I mean I'm thinking ahead on things. It's going to come.

Chair Postman: Yep.

Ollie Garrett: -- this type of -- as everything evolved, it's going to come. So to start, instead of being told to do it or to be pushed on us, we can start working on something.

Chair Postman: I think we could look at it. I think one of the things we will find is there are people in our authorizing environment in the Legislative and Executive branch, who are very skeptical of the technology, and I think we might find some pushback. But we should -- we can push until we get -- hit a one.

Ollie Garrett: Exactly. I mean, yep. It's got to happen, regardless at some point.

Chair Postman: And I'm willing to look at that, too, so I think we can revisit that piece, and like I said, setting aside which division deals with it.

Ollie Garrett: Right.

Ollie Garrett: Kathy has her hand up, I think.

Chair Postman: Okay. Go ahead.

Kathy Hoffman: Yeah, if I may. I just wanted to clarify something. We need to have rules in place to do a pilot project. So I just want to make sure we're real clear on that. So we can do a pilot in certain very limited circumstances in the sports arena under those rules, and that's how we've done that pilot project there. But I want to just make it really clear that we do have to do rules to do a pilot project. I think in the instance of ax-throwing that came about in a different way through a different sort of agreement, but just before we close here, I just wanted to underscore that. Thank you.

Ollie Garrett: Great. Thank you.

Chair Postman: Okay. So Mr. Jacobs, let me just run down our five sections of rules here to see if I've got your recommendations right. 1.) Definitions accept, 2.) Underage sale reject, 3.) Acceptable ID reject, and 4.) and 5.) both dealing with MAST, accept.

Daniel Jacobs: Yes, that's correct. Thank you.

Chair Postman: So then if there are no other questions, the motion would be to accept the staff recommendations on five separate sections of our rules. And I'll read them so no one else has to. Okay. So the proposal -- the motion would be to approve the petition as to Section 1 under our listing, which is 314-01-005, and the number 4 and 5, which is 314-17-025, 314-17-110, and then to reject the parts of the petition, that would consider amending 314-11-020 and reject the part -- oh, I'm sorry, yes -- 2 and then 3, yes, and then 314-11-025. Okay, if someone listens to the tape, they'll be able to get that, but I won't be able to repeat it. So is there a motion to do all that?

Member Garrett made a motion to approve the petition as to Section 1, which is 314-01-005, and the numbers 4 and 5, which is 314-17-025, 314-17-110, and reject the numbers 2 and 3, pertaining to 314-11-020 and 314-11-025. Chair Postman seconded. The motion was approved.

4. GENERAL PUBLIC COMMENT

Chair Postman invited citizens to address the Board regarding any issues related to LCB business. The Board heard from the following people:

David Busby: Thanks for giving me the opportunity. I tried to be in here for the last one of June because one of my points of business was to congratulate Rick Garza, but now he's not here. I couldn't make it to the last one because some things came up, so if one of you all could just pass on that congratulations and bon voyage to our friend Rick, that would be fantastic for me. Thank you. And then the second order of business is this happened like a month ago that you all fixed the CCRS so that the e-mail message was coming back with the right file name, that same exact file name that I submitted, which was very handy for me because I have been

putting these little Canary records in the stuff we were uploading to make sure we were getting good responses from the system, and now I no longer have to do that, so thanks. And I'm done.

Chair Postman: Great. Okay. Thank you. Appreciate that. Next up is Christopher King. All right, you should be able to go ahead.

Christopher King: Terrific. Terrific. Yeah. Hi, guys. Just real briefly with respect to the language issue, I apologize for what was captured last time on a hot mic when my time -- I had been told that my time had run. As you know fully well, I never issue intentionally profane remarks to anyone in a public manner. That having been said, let's resume the line of inquiry that I was making, which relates to William N. Lukela and what the compelling interests were or are in his successful candidacy for the position as director. Okay? So last time we were here, and I've mentioned this before, some of the same issues that we are countenancing here in Washington are present in Colorado. Westworld the op-ed piece, for example, social equity marijuana rules serve big business by Sarah Woodson. And for all the flak I'm getting for allegedly attacking black women and all that stuff, all that junk, all that nonsense, all that BS. All right, can I say BS? All right.

This editor, this writer of this piece is a black woman. Sarah Woodson is black the last time I checked, right? And she runs The Color of Cannabis. It's an industry group down there well recognized, and so the same problems are being visited down there -- or over there if you will. I guess it's kind of over and down. I've only been to Colorado a couple times, but it's over and down. Anyway. Yeah. And another article in Westworld indicated that there's a new bill to overhaul the delivery in social equity programs. Then there was the fact that these delivery programs, which I called the driving Miss Daisy program where, you know, black folks get a right to drive around the white man's product and such. That way of delivery, there is nobody who participates in it. There was like 91% of Denver's 208 dispensaries do not have delivery permits. Delivery accounts for less than 0.5% of monthly marijuana sales in Denver, for example. Okay? So that's not a really efficacious approach to anything, much less insulting to me. All right.

So I'm going to return to my question and give you guys ample time, even though I know your compatriot is not there right now, Board Member Vollendroff, what exactly -- see, and I want to be a cheerleader. I want to root for you guys. I really do, but I need to know -- and I want to root for William N. Lukela, too. So I just need to know what are the compelling reasons behind his successful candidacy? What are his qualifications to the job? What made you hire him, so that I can go tell people? Hey, well the Board says this. You know? The Board says that. And with that, I'll turn it over to you.

Chair Postman: All right. Thanks. You know, I don't like to respond. Let me just tell you, we've all talked about why we chose Will Lukela both in meetings and in the announcement itself. He's eminently qualified. He was impressive in all of his interviews. I don't have a hard time imagining you championing us but would welcome you to the effort. And I would say that whoever we bring in should be given a chance to show their skills, and we should all try to help a new director be as successful as possible and not condemn them before they arrive.

Christopher King: Well, again, before he arrived, I just wanted to see what's out there because you know I've been a journalist, man. You know I've written for The Daily. I edited a weekly. I'm a -- you know, I research things, and I haven't found things positive, I have only found things that were questionable or negative. That's why I bring it to you. And at this point, you still haven't really given me anything substantive. And believe me, I would be championing you guys. As you may be aware, I work with government all the time. My job is to resolve conflicts. Okay? Governments are my clients a lot. Okay? So I'm just trying to say, empirically, you guys have not given me anything to deal with. I could go through the laundry list of things again if I need to, and you know what they are. Most notably, what happened to Kevin Sheldon's letter to you guys and Ollie Garrett and all that. And why didn't we get the responses back --

Dustin Dickson: Christopher, you have 30 seconds.

Christopher King: -- from Sami Saad? You know when we asked for his file? So again, is there anything concrete? But anyway, but yeah, is there anything more concrete you can offer me?

Chair Postman: And I think that's your time. Um, yeah. I think I did what I could at this point, so we're going to move on. The next person who signed up is Gregory Foster.

Gregory Foster: Good morning, Board members. Good to see you today. I wish I could be there in person. A couple of things today. I just wanted to extend my congratulations for the staffing changes there, and thank Research Manager, Kathy Hoffman, for all of her hard work over these last few years. You know, we don't observe all of Washington state government, but I can say that she has created the most public facing engagement program for rulemaking processes that we've seen, and -- I think that's impressive. It's a lot of hard work that she's put in over the years. So looking forward to what she does with the Research Unit, and I hope we see comparable innovation and maybe even public engagement in the research process and encourage her to update the Board regularly on what her team is researching and why.

I also want to extend congratulations to Cassidy West on becoming the new Policy and Rules Manager. You know you've got big shoes to fill and a backlog of rulemaking to take on and hope to see that former -- her former policy rules coordinator role filled very soon. It's also kind of unclear to us what's happened to Jeff Kildahl. We haven't seen him in any public meetings for several months, and it's my understanding from the job description for the manager's role that there are supposed to be three policy and rules coordinators that are reporting to that role. So it would be helpful to have some insight into what's happened to Mr. Kildahl.

And then finally, the Cannabis Regulators Association (CANNRA) hosted their external stakeholder meeting last week on Monday and Tuesday, and LCB staff participated in the event. And so you know we appreciate the gestures that CANNRA has been making towards increased transparency. They actually posted the agenda on their website and some additional meeting details, and it looks like there was another kind of co-occurring in-person member meeting. They did that the previous year as well and voted in new leadership this week, so we

would appreciate an update from the staff who participated. Maybe at the EMT meeting next week would be a good time for that kind of an update. You know, it's also my understanding that external stakeholders pay a fee to participate in the CANNRA meetings, and I hope that those funds, in addition to paying for the existing staffing salaries and such, maybe they could hire on additional staffing because it's been my understanding that some of the LCB staff have had to volunteer public time to assist this private organization, which you know I'm a fan of CANNRA. I think it's an important organization. It's not unusual for regulators to have a membership association like that. But we only get so much insight into the kind of policy discussions that are happening within CANNRA and the kind of efforts that are being taken around the country to move cannabis policy making. So we would appreciate an update next week if that's possible. And thank you for your time and all the work that you all do there.

Chair Postman: Great. Thanks Mr. Foster. Yeah, we will be doing a CANNRA update at EMT, following the suggestion from Member Vollendroff, I think it was. Whenever staff is at these sorts of things, we've asked for a briefing and hear what they've heard there. So okay, last person we have signed up online is Mike Asai. Okay, Mr. Asai, you should be able to go ahead.

Mike Asai: Good morning, Board Members Garrett, Postman, and Vollendroff, even though he's not present. Thank you, Dustin. My name is Mike Asai. I am the Vice President of Black Excellence in Cannabis. I am also the founder of Emerald City Collective, the first downtown Seattle medical cannabis dispensary in 2010, which I have documentation to show that. It was also second in the state, which I could verify through documentation for those who would like to see it. I'm just signing in today. I'm not able to be there present with my counterparts. I just have some concerns with Ponder. People have -- and this has been brought to our attention in the past week -- that people have uploaded their documents over a month ago, and Ponder has replied saying, basically, that they haven't. And so it is really frustrating for a lot of applicants at this moment in time knowing that they have uploaded their documents but then Ponder saying that they're not on the [indistinct] account. So I just want to bring this to the LCB's attention.

You know, we as applicants and the community are being very patient during this process, but for a lot of people, you know it really could be frustrating when you know that you uploaded your documents, and then you get emails saying that you have not. So I just wanted to bring that to you guys' attention. And let me say this in regard to the new director coming on Board, we at Black Excellence in Cannabis are very excited to see that there is obviously new leadership about. There's been new leadership with the Board over the past several years, and we're not here to attack anybody, whether they're black, white, Asian, before they even started the position. We find it really disrespectful that we have people attacking someone that hasn't had a chance to show good faith in their new position. The new Director, Director Lukela, you know he wasn't here in 2012 for I502. So whatever he's done in Denver, that's in Colorado. That's there. We are looking at and excited to see what he is going to do here for the Washington State Cannabis. So with that being said, the new director has our full support at this moment, just like we are fully supportive of the direction the LCB has been going, and we're just going to continue that. But as you guys know, we'll hold you accountable and speak up and say things when we see something that's wrong, but no personal attacks from us. We're just here fighting for the

inclusion and fighting for what's right, and we want to see things be done in a positive manner, and we believe that.

So anyway, that the being said, I just wanted to just bring that to your attention in regard to Ponder. There it just seems like there are some hiccups, and there is some frustration there from a lot of applicants. So I know that the LCB is somewhat hands off in this process, but I think LCB needs to know because we at Excellence in Cannabis speak up for the community. Community is really intimidated to speak at Board meetings and to speak to agencies, and so that's what we're here for, is to speak up for them. That's it. Thank you so much. You guys have a great day.

Chair Postman: Great. Thanks for passing that on. We'll now move to people who signed up in person, and the first is Peter Manning.

Peter Manning: Good morning, Mr. Postman, Chair Postman. Good morning, Ollie Garrett, Board Member Vollendroff, and Dustin. My name is Peter Manning. I am President of Black Excellence in Cannabis. I wrote a letter in regard to some of the issues Mike had raised. It starts off, "I hope this message finds you well. I am writing to share my unwavering commitment to fighting for equity in the Washington State Cannabis industry and the challenges I have witnessed along this journey. I would like to start off by saying that we firmly believe that David Postman, Ollie Garrett, and Jim Vollendroff are not racist individuals and do not harbor ill intent toward our community. We firmly believe that. For years, I have dedicated myself to advocating for inclusion within the Cannabis sector, believing it is to be essential to the success of our communities. Throughout this endeavor, I have encountered instances that I perceive as racism or potential discrimination within the LCB prior to the individuals that are currently here I just named. However, I must acknowledge that as of today, I do not perceive the same level of discrimination within the Board.

I recognize the progress made. I believe that the LCB is making genuine efforts towards fostering a more equitable industry. My intention is to acknowledge the strides that have been taken and provide credit where it is due. We firmly believe at Black Excellence in Cannabis that we will continue to fight this fight along the sides with the LCB and any other agencies or entities that want to fight for equity. As someone deeply involved in the cause since 2015, my experience and knowledge of the Cannabis industry journeys towards inclusion have shaped my views. I believe I am qualified to draw these conclusions, as I have actively worked to raise awareness about the lack of diversity in this industry. To my fellow members of the black and brown community, it is crucial to recognize substantial progress we have achieved in obtaining equity in the Washington Cannabis industry. We have made significant strides, but our work is not done. It is essential to address concerns with open dialog, but we must also be cautious about making assumptions without a complete understanding of the facts.

Recently, there have been criticism coming from a particular group, and while I respect differing viewpoints, I find their attacks on individuals within our community troubling. We must always seek unity, understanding, and solidarity among our people. There might be differences of

opinion within our community, but it is essential to approach these disagreements constructively rather than resorting to diverse actions. By doing so, we continue to build on the progress we have made. I have observed attacks on individuals, including the new Director William Lukela. It is essential to give him the opportunity to contribute to our cause before making judgements. Engaging in such attacks only perpetuates division and works against our shared goals. Let us not be quick to assume the motives of others. Instead, let us focus on achieving genuine equity, working together to create a brighter future for all members of our community. In conclusion, our journey towards equity in the Washington State Cannabis has been filled with challenges, but we have made great strides. Let us stand together supporting and uplifting one another as we continue to fight for this inclusive industry. Thank you for your time and opportunity in this matter. Sincerely, Peter Manning, Black Excellence in Cannabis.

Chair Postman: Thank you. And last person signed up is Damian Mims.

Damian Mims: Good morning. Damian Mims with Black Excellence in Cannabis. I hope you all had a good weekend. I'm here to let you know today that myself and other applicants are struggling to find a way to communicate with Ponder. I received multiple pages of corrections on a Sunday at 5:00 PM, which was in the middle of what I consider a four-day weekend. Why not wait until Wednesday morning to start the 14-day deadline? In addition, myself and others have received request for cure, saying documents were not received, which is simply not true. There is no way to contact/work with Ponder to make this right, which I've spoken to a multitude of other applicants who are having the same problem as me.

Last time I was here I was having the same issue, contacting Ponder, with Ponder saying they hadn't received my application -- a completed application. Now they're saying they haven't received documents from myself and others that were, in fact, submitted. I understand things need to be done in writing, but there should be a way or means of communication that make this process smooth for the black and brown people. We are struggling to squeeze in -- squeeze our way into this multi-million dollar industry that we have been previously shut out of and even incarcerated for in the past. This process has been stressful and harmful to the pocketbooks and mental health of individuals that have already been damaged by being involved in this industry. Why is communication so difficult with Ponder? Applicants are struggling to get this done correctly, and we're not getting any help to make that happen. Thank you.

Chair Postman: Thank you for sharing that. Appreciate that. Then that takes us to the end of the agenda for today. And we will adjourn the Board meeting for July 5, 2023, and we will be back next Tuesday for a Caucus meeting. We're adjourned.

5. ADJOURN

Meeting adjourned at 10:54 am.

Minutes approved this 3rd day of June 2025



Jim Vollendroff
Board Chair



Ollie Garrett
Board Member



Peter Holmes
Board Member

Minutes Prepared by: Deborah Soper, Administrative Assistant to the Board

<p>LCB Mission - Promote public safety, public health, and trust through fair administration, education, and enforcement of liquor, cannabis, tobacco, and vapor laws.</p>
