



Washington State Liquor and Cannabis Board Meeting

Wednesday, September 13, 2023, 10:00 am
This meeting was held in a hybrid environment

Meeting Minutes

1. CALL TO ORDER

Chair David Postman called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 am on Wednesday, September 13, 2023. Member Ollie Garrett and Member Jim Vollendroff were also present.

2. APPROVAL OF MEETING MINUTES

Member Vollendroff made a motion to approve the August 31, 2023, Board Caucus minutes. Member Garrett seconded. The motion was approved unanimously.

3. SOCIAL EQUITY PROGRAM UPDATE

Aaron Washington, Social Equity in Cannabis Program Manager; Linda Thompson, Cannabis Manager

Aaron Washington: Good morning, Chair Postman, Members Garrett and Vollendroff. I am Aaron Washington, the Social Equity Program Manager. I am here today with Linda Thompson, our Cannabis Licensing Manager. We are here today to provide an update about where we are in the social equity application process (PRESENTATION 1). As a background reference, the Liquor and Cannabis Board used a third-party contractor as recommended by the Social Equity Task Force to review and prioritize all social equity applications. The use of a third-party contractor was to avoid any appearance that agency employees influence the process. Ponder Diversity Group -- was chosen as the third-party contractor to review and score the applications to determine which applicants meet the criteria for the Social Equity Program. Their review of all the applications has been completed. Currently, these applications are being uploaded into our system. It is important to note that the LCB is not evaluating the applications. Ponder Diversity Group validated applicants, qualifications, and scored all of the applications. The Liquor and Cannabis Board anticipates applicants will begin receiving notification about their status within the next two weeks.

So I am going to walk you through the category of notifications that applicants may receive based on Ponder Diversity Group's review due to the limited number of licenses available, which is 46 allotments in 22 counties. An application may result in one of the following

categories: 1.) being the highest scoring applications. These are for applicants who received the highest scores in the county they chose and were determined to be qualified for the Social Equity Program. 2.) title certificate holder. These title certificate holders have the ability to reinstate their license by applying through the Social Equity Program. Those who have met the requirements for the Social Equity Program can move their title certificate within the county where it is located. 3.) a tie in the county. This is a category for applicants who may qualify for the program but received the same highest scores in the same county.

The applicant's information will be sent to a third-party contractor who will provide -- who will conduct a double-blind lottery. The double-blind lottery process is as follows: A third-party firm, Creighton-Snell, will use randomizing software to select the applicants who will move forward with the licensing process for applications that were disqualified. Reasons for an application to be withdrawn may be due to the following: the applicant did not meet requirements, an applicant did not score high enough to proceed, an incomplete application, or the applicant was not selected by results of the lottery. The applicant will be provided a letter with the reason for the withdrawal and will have a right to an appeal if they do not agree with the decision. If the applicant would like to appeal the decision, instructions to do so are included in the withdrawal letter. If an applicant would like to request their score and/or their application information related to the Ponder Diversity Group's review, instructions will be provided on the letter about how to submit a records request.

And our fifth category, the preliminary letter of approval. Once the 46 applicants have been identified, the Liquor and Cannabis Board will issue all preliminary letters approval at the same time. So as a note, we will have nearly 500 applicants to notify about their status over the next two weeks, which will occur via email. We recognize that applicants are anxious to know the results. However, we are requesting that applicants wait until they receive their notification letter from the Liquor and Cannabis Board before attempting to contact us. So I will go ahead and turn it over to Linda Thompson, who will be giving talking points about the cannabis licensing process.

Linda Thompson: Good morning, Chair Postman, Members Garrett and Vollendroff. I am Linda Thompson, the Cannabis Manager for the Licensing Division, and I will share information on the next steps for licensing. The successful applicants and qualified title certificate holders will need to meet standard licensing requirements to receive a license, including but not limited to securing a location, financing, completing an operating plan, and criminal history forms. We understand applicants will need time to find a location and secure financing. There is no time restriction for an applicant to find either of these. We will be inviting the successful applicants to a live virtual webinar to introduce the team, provide a brief overview of the next steps in the application process, share how the Licensing team can support you, and conduct a survey of readiness. The survey will determine each applicant's readiness to begin the licensing application process, which will include questions such as if they have a location, have secured financing, have both, or have neither.

Applicants will also be assigned to our social equity case manager for help and/or support. The case manager will check in with applicants twice a month to see if they have any questions or if support is needed. Some examples of this are technical support. If they are unsure of how to fill something out or need help navigating through a system, help with finding resources, for example, connecting them with Department of Commerce and finding contact information for their local authority. Applicants will also be assigned to a senior licensing specialist who will assist with any licensing-related questions and can confirm proposed location compliance. Now I will turn this back over to Aaron Washington. Thank you.

Aaron Washington: Thank you, Linda. So this next slide is of great importance. Ponder Diversity Group conducted an anonymous survey about the demographic of the applicants. This survey was voluntary and was not required as part of the application. The chart on the screen represents the applicant pool. According to the survey results, the pool of applicants may appear to represent those most affected by the war on drugs. We will continue to review this data and share that information with the Board. In closing, I thank you for having us share this information with you today. We are excited about the new phase of the program, and we understand that the number of applicants exceeded the number of available licenses during this application window. We invite the community to provide feedback on the application process as we work to improve and expand the Social Equity Program through Senate Bill 5080. Our website will be updated with more information. Also, the email inbox is now reopened. Please direct all questions for the Social Equity Program to licensing socialequity@lcb.wa.gov. Thank you.

Chair Postman: A couple of quick questions. That email address is back on our social equity website so people just go to the LCB website, and you can find that. Appreciate that. And the point of that, obviously, is for a while we were saying to go to Ponder, now we have got them back, so it is in our house, and we do it, just so everyone understands what we are doing there. And Ms. Thompson, when you were talking about the technical assistance and things, just to be clear, that is for people who receive a preliminary letter of approval. Right? They will hear from us about that. Yeah?

Linda Thompson: Correct.

Chair Postman: Yeah. Okay, great. And of those categories, well, let me put it this way because if the world was really easy, we would have 46 thousand point scores. Right? And nobody else. Then those people would get preliminary letters of approval. Right. Because there would be no double-blind lottery or anything. They all were qualified.

Aaron Washington: A perfect world, yes.

Chair Postman: Right. And that is not going to happen.

Aaron Washington: That is not going to happen.

Chair Postman: Then what happens is we are going to have some people with higher scores and a lot of people who may be clumped together. Everybody has -- and I don't know what the ratio is. I am saying 1000, but let's just say 1 through 10. So there is a bunch of people clumped at 6, then that is why we have to go to another step for those.

Aaron Washington: Yes.

Chair Postman: Right? Okay. I am still trying to get this all clear in my head, so I understand that. And basically what we have now in this process is, as you said, we are going from hundreds at this end to 46 at this end, and it is those various steps that will get us there. Within two weeks or in about two weeks, people will be notified where they are among those categories. Right?

Aaron Washington: Yeah.

Chair Postman: Okay. Any sense yet of how long the rest of that process goes? Like when might somebody receive a preliminary letter of approval?

Aaron Washington: Well, we would like to anticipate that to occur within the next two weeks.

Chair Postman: Within two weeks. Oh, fantastic. Okay, good. I thought they were just that initial chunk. Okay.

Chair Postman: We're good. Members Garrett and Vollendroff, any questions of the team at this point? Okay. Let me just make sure. Okay. That is great. Appreciate that.

Aaron Washington: Thank you for your time.

Chair Postman: Thanks for coming.

Aaron Washington: Thank you very much.

4. RULEMAKING TIMELINES – ALL INDUSTRIES

Cassidy West Policy and Rules Manager

Cassidy West: Good morning, thank you, Chair Postman, and Board Members Garrett, and Vollendroff. I will start with some Cannabis Rulemaking Updates. So we are going to be presenting a rule petition about batch tagging to the Board on October 11th. Also, in October, we tentatively planned to bring the CR 101 for a petition that was accepted related to medical cannabis endorsements. Coming up in September during that last week, we'll be holding rulemaking workshops on the THC bill and on sampling. More details about those will be provided in a GovDelivery message and then also on the Laws and Rules webpage. For Alcohol, we tentatively plan on having stakeholder engagement sessions in October for the

Alcohol Delivery and MAST 13 Permit Rule Project. For the Trade Areas Project, with the support of Dr. Conwell, the Tribal Liaison, we have been having ongoing conversations with Tribes about the rule language and hope to hold rules workshops to go over the draft rules in November. So unless there are any questions, I can pass it to Daniel, regarding the public hearing.

5. ALCOHOL RELATED RULEMAKING

ACTION ITEM 5A – Public Hearing for 2023 Liquor Legislation Implementation

Daniel Jacobs: Thank you, Chair Postman, and thank you, Cassidy. Good morning, Chair Postman, Members Garrett, Vollendroff, LCB staff, and members of the public, I am going to briefly preview this morning's public hearing on the rulemaking for the project that is been called the 2023 Liquor Legislation Implementation (HANDOUT 5A). This project was begun to address rulemaking related to three specific bills passed during the 2023 Legislative Session. The first bill expanded what types of jobs 18- to 20-year-olds can perform at liquor licensee locations, and it allowed those folks to work in jobs in the kitchen in back of the house where they are not interacting with patrons or with alcohol. The second bill created a special permit for operators of short-term rental units, biggest names being Airbnb and VRBO, to provide a complimentary bottle of wine to renters who are 21 and over. In the third bill was a prohibition on the sale, manufacture, and distribution of products that combined alcohol and cannabis.

To clarify, just because I have gotten a few questions, today's hearing is not related to 5448 or alcohol delivery. That is a separate rules project. The three bills that this project is on are pretty specific, and only one of them required rulemaking, and that is the short-term rental one. And the reason is because that short-term rental bill also allowed permit holders to obtain wine directly from wine distributors, which typically private citizens can't do. You've got to be like a retailer or some other sort of entity in order to get wine directly from a wine distributor. So we had to change the rules we have in place on wine distributors to say that now wine distributors can distribute wine to these special permit holders. And that is exactly what we are doing. Those are the only rule changes that we are making. We circulated rules back in July. We got some feedback on it. Some folks wanted a little bit more. But as the rules are going forward, we are literally just changing the rules to say wine distributors can sell wine directly to the special permit holders.

Assuming everything is still on track, after the public hearing today, we are still scheduled to file the CR 103, which is the last step at the next Board Meeting on September 27th, which would have these rule changes in effect by October 27th, right in time for Halloween. Thank you. And I am happy to answer any questions.

Chair Postman: You know, I have questions about this one every time it comes up. But so you can get a special permit, and you can buy from essentially a wholesale wine seller. Are you

going to have to prove that you have short-term rental under your name to get said permit? Or can I get a permit and somehow just start buying wholesale wine for myself?

Daniel Jacobs: Well, we actually didn't get into that, specifically in rule. But with wine distributors, we talked about the sort of economic incentives that if you are, for lack of a better word, a lay person, if you are someone who your only business is that you have a cabin on one of the islands and you rent it out for Airbnb, or you have an apartment that happens to be on a nice street in downtown Seattle, and you rent it out for parades or whatever it is, and you reach out to a wine distributor, we are assuming that you are going to say, "I have this. I have an Airbnb unit. I want to get wine bottles directly from you." But no, we don't. We don't at this time have a specific proof requirement, but we have assumed that some of the economic forces are going to sort of work their way into it, which is that wine distributors aren't necessarily going to be super eager to sell two or three wine bottles at a time.

Chair Postman: No. And the only thing -- I don't know why I only thought of this now, but I guess what I am wondering is, if I even if I have an Airbnb, I could go and buy 10 cases of wine and put it in my home wine cellar, and is there an economic advantage to me in that case? Are we going around the retailer by allowing me to have a special permit that I can basically buy wholesale wine? Because then it might be economical for the distributor.

Daniel Jacobs: I mean, that is certainly possible, and that is one of the reasons why we have already sort of set in motion that once these permits go live, as my understanding the permits aren't live yet, they are not available yet. But once they go live, we are going to look back in about a year or a year and a half from now sort of look at these issues. I think there are some folks that might be scheduled to testify about this, but that is sort of one of the responses because some folks have asked, "Why aren't you doing more rulemaking?" And we are not sure how many rules are really going to be necessary, how much this permit is going to be used, but if that becomes an issue, we can certainly add that into rules later. I guess that is another thing. Just because we aren't doing as much rulemaking now doesn't mean we can't add rules later on.

Chair Postman opened the public hearing and invited citizens to address the Board. There was no public comment.

Chair Postman closed the public hearing.

6. GENERAL PUBLIC COMMENT

Chair Postman invited citizens to address the Board regarding any issues related to LCB business.

Sami Saad: I just want to say Hi to everybody, and there is nothing personal between us and you guys, and I think you guys wanted to come to a resolution on the social equity. My name is

Sami Saad, Usama Abdulla Saad. I had my medical canopy since 2013 -- 2012, 2013, one of the first people in September actually in 2013, and unfortunately being forced out. And I represent my people. I am Sudanese American, not African American. I am a colored guy. We are more than 65,000 Washingtonians, and we love to help our own. I support my community. I am just looking for the wisdom and support because I failed this program in every single angle. I have convicted felony since day one with me and my license. And to protect my right and to protect me because from what we have where we have been forced out and all this outside agenda, we just -- you have to -- like I said, we keep going forward and we having our shop, helping our community.

But unfortunately, even during my shop was open I was working as minimum wage in Alaska, and my shop was open. I was a good example as a good American. This is not a promoting for my shop. Just looking out today is no issues with no one. I wish that you guys to really acknowledge we are being forced out. Finally they did send me, and they send me, "Hey, Sami. Good luck." Your application is successful, and we already have that as already, but we are not determining. So they are not the one who determine. They say the LCB determines who is qualified. But as all the stuff we have 100%, not 100%. This is 300% qualified for this program. Because the first one was me. [Indistinct] have a lot of groups of people. We are more than 65,000 Washingtonians. Unfortunately, the state, they are losing a lot of money for all this kind of stuff, and you guys need to acknowledge that.

As we spoke earlier about the -- even about the alcohol. I am Muslim. We don't support alcohol to just to be honest with you. About alcohol, it affects a lot of people in our community here in Rainier area, and you guys have to acknowledge that, especially [audio cuts out] it need to be suspended from Seattle. But I'm going to go regard -- this is a different issue, and it affects a lot of people and make a lot of people killing each other in Rainier. And the thing is about us being forced out, you guys losing money because the people that used to come to our shop, they don't buy from those stores anymore. And the thing is, another issue -- that's another issue other than the licensing. Putting tobacco on those things, it makes people sick. I'm sick right now from the tobacco being put on the marijuana, and it's not good affecting a lot of people. You know? It is really affecting a lot of people. I wish you guys the best. It's nothing personal between me and you guys. We welcome the new director. You tell him welcome to Seattle.

Dustin Dickson: Sami, you have 30 seconds.

Sami Saad: We would love to see from you -- yeah, we love to see from you also Mr. David Postman and Ollie Garrett [audio cuts out] last time. Mike Asai here that did something for us and is being denied. I wish this time we are not being denied and just treated equally. I wish you guys the best. It's nothing personal. And we lost. This is about us. We lost. I lost thousands of dollars. That's from my own pocket. I made this one to help, not to hurt, but I have been hurt.

Christopher King: Terrific. Just at the outset, I want to say there never was anything personal about any of this. You know? Really, we are just stating facts and asking for documents of which we are entitled. I will note at the outset that, again, the focus of this originally was this

whole social equity movement, the focus of this was originally about the black pioneers, then they became an afterthought, and that is unfortunate because that shouldn't really be the way it is. But that happened pursuant to the rubrics put forth by Jim Buchanan, and he and I and Kevin Shelton used to argue over that stuff all the time. I still have the emails from when that happened. Then you had the guy from the NAACP come in originally and said that the first lottery was a sham. I forgot his name right now, but all of those guys seem to have disappeared now. It's interesting.

Anyway, what I want to go into now is the whole issue of openness in government. And I understand now, you do understand that state procurement records you put out an RFP to get Ponder in to do this, and so those state procurement records are now public record under RCW 39.26.030 bid submissions and bid evaluations are exempt from disclosure until the agency announces the appearance of the successful bidder. Okay, so that has all been done now. So I asked you all for the original RFP that went out, all the applications that came back in, including Ponder's, and then also I want to have the submissions from Ponder, the recommendations because that is all public record. You would agree with me on that, right?

Chair Postman: Yeah, we're not going to do Q&A today.

Christopher King: Never with me, do you? But you do with other people, but never with me. So anyway, I did that pretty much to ask as a fact. That is the statute. So anyway, just in case it is not clear, I'm not just shooting my mouth off here. This is the Public Records Act. Ask questions. This is from the Washington Association of Public Records Offices. Okay? That is who wrote this document that is going into all this, and it just says that anything that qualifies as a writing that relates to the conduct of government that is in your agency's possession will qualify as a record. You know? Even Post-it notes are original records. Okay? So yeah. And that kind of goes back to the stuff that I asked for when Kevin Shelton sent that letter to Ollie Garrett a long time ago and never really received any follow up on that. So that is -- I'm not just making this up. I understand the RFP process quite well. I have been working on it for decades now. In fact, I have worked on RFPs that affect the quality of your life. That's a fact.

So I have got three of them right in front of me I have got to get back to when I get off this call. All right? So that is the law. If I don't get the documents, I am going to have to sue. And, again, it is nothing personal.

Now, the reason I bring that up, though, and I am concerned because when I asked for the public records regarding William Lukela, the new director, you gave me back this. Okay, there is nothing there. You blacked out everything. You redacted everything. Okay. Not even the interview questions. I got nothing. Now, if you think that that is lawful, we are going to have to have a visit in court because it isn't. The only thing you can black out there is personal information. That, I agree, but I don't want his personal information. I don't need to know where he lives. I don't even know who his wife or husband is. I don't need to know any of that. I just want to see what qualified him for the position. Is that an unreasonable request? It's a Yes or No

question. Is it an unreasonable request to ask to see his qualifications or the interview questions?

Dustin Dickson: Chris, you have 30 seconds.

Christopher King: I guess the question was too deep to answer, huh? I thought it was pretty straightforward. I don't know. So you see, you are not -- how can I say? You're not really causing -- giving people much reason to believe in the integrity of the system when you won't even identify what it is that you ask the applicant or anything. You won't even identify any of it, so how can we --

Dustin Dickson: Chris, that's your time.

Christopher King: Just give me a second like you do everybody else -- everybody else but me. Okay? So I am just going to sum up briefly. Okay? So how can you expect us to believe the integrity of the system when you issue responses like this?

Paula Sardinas: Good morning. Paula Sardinas with FMS Global Strategies. And I will make my comments short because I thought the presentation of Mr. Washington's staff was really good. We had questions about the timeline on behalf of 100 applicants and mentors that we mentee and how the process will unfold, but the information was presented in a way that was really succinct. We have actually been getting real live text messages and comments from a lot of our mentees, some who are online and some who could not attend, that that timeline kind of comports with what they were expecting and in their understanding that there are multiple scores, that there will be a double-blind lottery. I think the LCB has been consistent, and that is how the process would work. Our questions were around how the certificate process would work because some of those folks have been holding since 2016.

We understand that all of the information will now be released at the same time in a process, I guess, that makes it more equitable in that we have submitted questions through the LCB portal and have been getting today the answers to those questions. And so I think my comments just generally are that before we move forward with the 5080 licenses, of course, we would want to have a look back at this process and to examine what worked well, what we could do better, and how to move forward. But I think the graphics shown on the screen as someone who co-Chairs social equity, I think we are going to see that the process worked well in that it was consistent with what we expected under HB 2080. And I think if we all just take an intentional pause and look at what we did in the efforts to center the war on drugs and those people that were impacted, and we just look at the process, then that work has been done. Overwhelmingly majorities applied for this process. It was outsourced to a third-party vendor.

And I think if we just remain neutral and dispassionate and allow the process to unfold and see where the licenses went and we have transparent and candid conversations on how we can improve the process, I think that the outcome will be what we expected. And so thank you to the Board. Thank you, Ollie, for shepherding this process through. This has not been a three-year

process. This has been a 10-year process to people like a Board Member Hauge, who is not serving anymore, Chair Jane who is not serving anymore. Vollendroff and Chair Postman, you are new to this process. It has been 10 years of just trying to get equity for the community. We look forward to not just these 46 licenses coming out but improving the process for the other 5080. So we have 100 people who have applied for this process. We wanted to come on this morning and say thank you for all of the work, Rebecca and her staff, Nick, and everybody.

We think that the LCB has done a good job. It doesn't exempt that there might be some issues, but we do think it is important to acknowledge the work that has been done. Thank you.

Representative Debra Entenman: Good morning. I have a question to ask. I understand that I don't expect any answer at this time. But as I have been -- excuse me, for the record, my name is Debra Entenman, Representative from the 47th Legislative District. I am on another business trip. I am trying to find out some information. I understand that you will not be able to give it to me at this time. I would like to know what the criteria were for the evaluator. I would also like to know, if the evaluator subcontracted some of the work out, did that subcontractor also have to meet the criteria? The reason why I am asking this question is because it has been brought to my attention that the subcontractor did not have any experience in working in the cannabis field, and so they had a steep learning curve, which may have been a detriment to the people who they are supposed to be helping. I don't know, and that is why I am asking. This is not a criticism. It is just an observation. And I hope that I can be provided information so that I can provide answers to members of the community. Thank you for your time.

David Busby: Awesome. Thanks. Thanks for having me. And today I am here -- David Busby with OpenTHC. We have done this before. I am here to talk about the CCRS bug, which you guys got fixed, which I am excited about. Hurray! I would like everyone to know that myself and other software vendors in this space reported these issues quite some time ago, and so it took more than six months -- took more than nine months to get this issue addressed, or at least one that we think that it is because that has been going on for a while. And the behavior of the system has changed. There are less errors coming back from these cases, and that is exciting. But one of the things that has occurred from this is that some on the enforcement side have reached out to licensees, some of my clients, some of my other clients, some people I just advise, and asking them to re-upload files from like January of this year. And, of course, these file uploads are something that the LCB has also said, I don't know, just you know, transient in nature or something.

So files the LCB doesn't retain them, why would a licensee have a file from nine months ago still lying around to re-upload? But more importantly than that, CCRS isn't a file-based system, it is a record space system. There are just multiple records in the file. So if the file doesn't work on January 9th, and then you make an attempt on January 10th with the same data to update, you will run into the problem there. So really asking people to upload data from January is sort of silly because there have been hundreds of days where they would have also re-imported or updated that record in the CCRS System. You know? And any of their other downstream activities would have failed as well, when you are trying to do lab results and get those

recorded, or if you are trying to do B2B transactions. So I think asking for these files from many, many months ago, is sort of a goose chase for the Enforcement side. And the way to handle it is the same way you handle the current records, spot check records that exist in CCRS from January with what exists in a licensee's system.

That's mostly it -- and then the other thing that sort of just came up, something else on the chat here, on the call it mentioned RFI/RFP process, which reminded me I had asked about the lengthy timeline information about your RFI/RFP process for the update to the Track and Trace Program. And something interesting is happening in Massachusetts. They are going to -- they have this process going on right now, and they are keeping everybody well updated. December 2023 is when they are going to announce who is going to get their -- be the successful respondent, but they are giving us until December 2024 for that whole implementation to go on. So they are giving like 18 months of information about the updates to their systems, which allows all of the licensees and integrators to do a lot of planning. Thanks.

Paul Bryce: My name is Paul Bryce, Owner of Happy Trees, who has been involved with the mentorship, also the task force. A couple of things. One was the social equity title SERPs. As we know, a lot of those title SERPs have been hanging around for years now and have nowhere to go. And even being allowed to open up in the county, some of these counties are still just completely not going to allow it. So hoping something is going to be addressed about that first. As we know, when this rolls out, there are going to be more cities that are aware of the situation, and Pasco is one even I know that saying that they are going to allow for social equity applications. So I mean, you would think for the any of the title search social equity people that have been waiting for years that, hopefully, they can be able to if not roam, be able to go somewhere where a county or city is going to allow for a social equity license.

Second, before 5080 rolls out, there is there were many licenses back in the day given out to people who had like pioneer status or was involved with the cannabis industry. Hopefully, something will be addressed for that where, so you went from one license to all of a sudden you were just given three licenses. I don't see any minority that was ever recognized for anything with a pioneer status even though some of us did qualify. That's it.

Gregory Foster: Morning, Chair, Board Members, Gregory Foster with Cannabis Observer. We have been observing the public meetings of the LCB for the last six years or so. So a couple of items I just want to bring to your attention and bring up today. Last week, you mentioned the Washington State Institute for Public Policy report was published one of four that they are tasked with issuing over two decades after 502 was passed, so a pretty big deal. Their Board of Directors met on Monday and had a presentation up at SeaTac, and so we went and observed that. So if you would like to hear the questions that were asked by some of the leading legislators in the state, it was an interesting conversation, a lot of incisive questions. So we have that on the site. Please take a look.

I also wanted to talk about the rulemaking that has been going on at the agency the last few months. So we have had a turnover and change where Kathy Hoffman shifted over to the

Research Unit. Miss West has taken over as Policy Rules Manager. They are understaffed. I am not sure if we have been able to fill the additional Policy Rules Coordinator role there. But everything's sort of been put on hold for months now, but we are not talking about it. So just wanted to bring that up that we are still waiting to hear on the payment terms rulemaking petition that was accepted by the Board March 28th, Minors on Wholesale Licensed Premises was accepted by the Board August 2022. There is the advertising rulemaking project that is at the CR 101 stage for over a year. I mean, we are probably going to wait on that given the agency is looking to amend some of the legislation that is out there this session.

Social Equity, we have SB 5080 implementation. We are looking for a CR 101 for that, probably makes sense by the end of the month. But then there is also a rulemaking the agency has to undertake with regards to cannabis lab accreditation. So that is being handed off to WSDA and maybe the Department of Ecology. We will see about that. And that has to be done by, I guess, the end of this fiscal year. Right? So that is going to be probably fairly complex, and that is going to take some time, so that has to be accounted for. And sort of on that question about whether it is going to be Ecology or not that takes on the role of accreditation, you brought that up publicly for the first time that I was aware of, and so appreciate you mentioning that. And you expressed some hesitation about, whoa, it is going to be a heavy lift to say we are going to shift over and have AG take on that responsibility in addition to actually defining the standards. And let me just say, it would be better over at AG. Ecology doesn't seem to really want the job. It would raise prices for the labs themselves to operate. They would have to pay \$64,000, or something like that, assuming they all stay in business. So we are talking like tens of thousands of dollars effectively a new licensing fee just to operate in this state. And, meanwhile, AG has the desire for it. They have the staff for it. Former chemists from LCB are over there, former research manager for LCB is over there. You all should get behind that bill. All right. Thank you.

Gregory Carter: My name is Gregory Carter. I am from Tacoma, Washington, and I got involved in the Cannabis industry many, many years ago. And as you know, to a lot of people surprise a lot of that got people arrested and taken away, and broke communities up, and kind of severed the community with lot of people all they knew their whole life. So I am here today. I was just in here listening because I have never got to come to any of the meetings or any of that because I work. I got a job. So I just got off this morning, got a couple hours of sleep to come here and deal with this, and I was just, you know, because a lot of this stuff to a lot of us out here is kind of like you don't because a lot of people ain't savvy with the internet and all that kind of thing, so you kind of miss, you click this, and it'll put you over here. You are trying to get back here and can't get back in.

So I was just here listening and observing a lot of things that are going on, and I just wanted to ask a question. Have you guys had the chance to go into these neighborhoods and really talk to some of these influential people in these neighborhoods and find out what's really going on and the things that could help, if not, will help to make this place a better environment for the people who really lost out on everything? Because a lot of people are homeless. These are people who 20 years ago were citizens doing good things in the community. So I was just trying to come out and fill it out and see what's going on because I go back and -- I am a mentor for kids at the

high school, so I go back and give them insight on things that I learn out here in the community from past, present, people just relatively got things going on in here that could benefit and maybe make the place a better environment for everyone else. So I appreciate the insight and all that, but I just wanted to ask that question because a lot of people don't know you guys really even exist.

7. ADJOURN

Meeting adjourned at 10:55 am.

Minutes approved this 4th 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>
