



Washington State Liquor Cannabis Board Meeting

Wednesday, January 11, 2017, 10:00 a.m.
LCB Headquarters - Boardroom
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Jane Rushford called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 a.m. on Wednesday, January 11, 2017. Member Ollie Garrett was also present. Chair Rushford said stakeholder opinions and the opportunities to share is an important part of decision process. The Board considers the comments and continues to make changes to the rules.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Garrett moved to approve the December 28, 2016, meeting minutes.

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

3. EMPLOYEE ANNOUNCEMENTS

State Service Recognitions – Presenter: Director Rick Garza

Mr. Garza recognized Deputy Director Peter Antolin for 30 years of state service.

State Service Recognitions – Presenter: Chief Justin Nordhorn

Chief Nordhorn recognized Lieutenant Kandra Tinnerstet for 10 years of state service and Officer Raj Velupillai for 30 years of service.

Swearing In of New Officers – Presenter: Chief Justin Nordhorn

Chief Justin Nordhorn introduced the incoming officers and provided a brief background on each of them. He administered the oath of office and provided them with their badges.

Officer E.P. Hackenberg

Start Date: May 16, 2016

Academy start date: August 9, 2016

Academy Graduation: December 16, 2016

Special Awards: 10,000 Push UPS, Aerobic 1500 Club, 150 Mile Club and Extra Defensive Tactics.

Retail Unit – Region 1 – Tacoma

J.D. University of Baltimore School of Law, Bachelor's Degree in Economics, a minor in Political Science

E.P. had his own law firm before he came to the LCB.

Officer Jacob Garness

Start Date: June 16, 2016

Academy start date: August 9, 2016

Academy Graduation: December 16, 2016

Retail Unit – Region 2 – Federal Way

Jacob joined the US Navy in 2011 as a support equipment technician and worked as a ground support equipment work center supervisor before he joined the LCB.

Officer Darin DeRuwe

Start Date: October 17, 2016

Officer Darin DeRuwe attended Spokane Community College, receiving an Associate's degree in Administration of Justice.

Officer DeRuwe worked for two years with the Coeur d' Alene Police Department, before joining the Washington State Patrol in 1991. In his 25 years as a Trooper, Officer DeRuwe has been a member of the Rapid Deployment Force, SWAT, FBI Joint Terrorism Task Force, Cannabis Eradication Response Team, the DEA Narcotics Task Force. In his free time Officer DeRuwe spends much of his time playing with his family in the woods of North Idaho, boating, swimming, skiing, hiking, and four wheeling.

Spokane Tobacco Tax Unit on

4. PUBLIC HEARINGS (A-C)

PUBLIC HEARING 4A – Public Hearing on Rules Review of WAC Chapters 314-02, 314-07, 314-11, and 314-12

Karen McCall, Sr. Agency Rules and Policy Coordinator, began the briefing with materials (HANDOUTS 4A 1-6). She provided background noting as part of the on-going rules review process, rules in the following WAC Chapters are being reviewed for relevance, clarity, and accuracy:

- Chapter 314-02 Requirements for retail liquor licenses.
- Chapter 314-07 How to apply for a liquor license.
- Chapter 314-11 General requirements for licensees.
- Chapter 314-12 General – Applicable to all licensees.

Have received comments on amended section WAC 314-02-035 What are the food service requirements for a spirits, beer, and wine restaurant license? Clarified garnishes such as, but not limited to, pickles, salsa, and dips do not qualify as a side dish. Based on the comments received we still have changes to be made. The Board appreciates the time to look further at comments and issue a supplement to address some of the concerns.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony.

Cindy Zehnder – Total Wine & More

Ms. Zehnder stated that barriers for tastings at the stores makes it difficult due to space requirements. Their staff are trained and understand that their first responsibility is to prevent sales to minors. They recognize that not all stores operate the same and would like exemptions for stores that have policies and an operating plans that prevent sales to minors.

Chair Rushford closed the public hearing and thanked everyone for their input.

PUBLIC HEARING 4B - Rules to Implement 2016 Liquor Legislation

Karen McCall, Sr. Agency Rules Coordinator, began the briefing with materials (HANDOUTS 4B 1-5). She provided background noting that new rules and revisions to current rules are needed to implement the following legislation that passed during the 2016 legislative session. There are some changes that still need to be made and we will be issuing a supplemental.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony. No one came forward for comment.

PUBLIC HEARING 4C - Lab Testing and Quality Assurance Rules Review

Joanna Eide, Rules and Policy Coordinator, began the briefing with materials (HANDOUTS 4C 1-4). She provided background noting she has received many comments for these rules. Concerns about the number of samples allowed. It is an increase in materials to be submitted we acknowledge that. The reason for more samples is to provide accurate testing. They are also concerned with cost increases. Residual solvent testing for ethanol level arguments received. Our levels are set using federal levels.

Chair Rushford thanked the public for their written comment, the Board has reviewed those with Ms. Eide.

Due to the large number of comments we will be taking additional time to be able to go through them and analyze. We will file a supplemental CR-102 which will allow for additional written comment and public hearing.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony.

Michael Schroeder–Aging.int.com

Mr. Schroeder has concerns with the residual solvent levels allowed. He feels we need to do more research before increasing the levels. Would like to see the focus on pesticide testing and levels. Would like the Board to consider the cost increase to the producers.

James Shults- Citizen

Mr. Shults has concerns with ethanol levels. He provided his full comments in writing.

Mark Hubbard – Integrity Labs

Mr. Hubbard thanked WSLCB for their work on these rules. Their lab participated with the workgroup. They have concerns with the lab testing levels and are submitting full comments in writing.

Danielle Rosellison – The Cannabis Alliance

Ms. Rosellison would like to request a rule change to allow testing for products during the research and development phase. They have concerns with the levels for residual solvent testing for ethanol and would like to have this testing removed. Concerned with the cost increase to small tier one producers. Written comments provided.

Dustin Newman – True Northwest

Would like homogenized testing instead of requirement for three separate tests. Opposes the moisture analysis and microbiological testing changes. He has submitted his comments in writing.

Nick Mosely – Citizen

Opposes ethanol testing requirement. Supports mycotoxins screening.

5. ACTION ITEM

ACTION ITEM 5A -Board Approval to file a CR 101 for Packaging and Labeling Rulemaking Project

Joanna Eide, Rules and Policy Coordinator, began the briefing with materials (HANDOUTS 5A 1-2). She provided background noting WSLCB has received a lot of feedback from industry members, the public, staff, and other agency members regarding concerns or changes needed with packaging, labeling, warning statement, and other related rules. Industry members and others have stated that labeling requirements are too onerous, while others have stated that the labels are difficult to read, do not contain desired information that would better inform a consumer or member of the public, or are confusing. Additionally, we recognize that packaging and labeling rules, and rules related to warning statements, could be clearer and better organized and that many technical changes are needed to ensure product serving sizes, transaction limits, packaging, labeling, and warning statement rules are effective.

Timeline

January 11, 2017	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
February 1, 2017	Code Reviser publishes notice, LCB sends notice to rules distribution list
April 5, 2017	End of written comment period
April 19, 2017	Board is asked to approve filing the proposed rules (CR 102 filing)
May 3, 2017	Code Reviser publishes notice, LCB sends notice to rules distribution list
May 31, 2017	Public Hearing held
May 31, 2017	End of written comment period
June 14, 2017	Board is asked to adopt rules
June 14, 2017	Agency sends notice to those who commented both at the public hearing and in writing.
June 14, 2017	Agency files adopted rules with the Code Reviser (CR 103)
July 13, 2017	Rules are effective (31 days after filing)

Ms. Eide then requested approval from the Board to file proposed rules.

MOTION: Member Garrett moved to approve the filing of proposed rules (CR 102) for Packaging and Labeling Rulemaking Project

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

6. GENERAL PUBLIC COMMENT

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

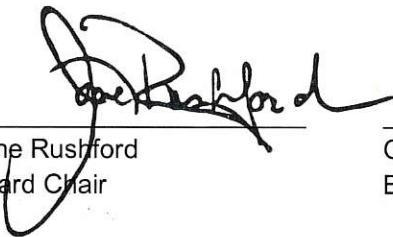
Ace Anebo - Citizen

Mr. Anebo would like to know what will be done with retail licensees that have a licenses and have not reported sales. Would like to know when a local jurisdiction requests additional retail licensees in their area what the response from WSLCB is. Chair Rushford requested staff from Licensing speak with Mr. Abeno following the Board meeting.

ADJOURN

Chair Rushford adjourned the meeting at 11:10.

Minutes approved this 25th day of January, 2017



Jane Rushford
Board Chair



Ollie Garrett
Board Member

Minutes prepared by: Lisa Faker, Executive Assistant to the Board

LCB Mission - Promote public safety and trust through fair administration and enforcement of liquor, tobacco and marijuana laws.

Complete meeting packets are available online: http://lcb.wa.gov/boardmeetings/board_meetings
For questions about agendas or meeting materials you may email lisa.faker@lcb.wa.gov or call 360.664.1717