



## **Washington State Liquor and Cannabis Board Meeting**

Wednesday, July 17, 2019, 10:00 a.m.  
Senate Hearing Room 2, Cherberg Building, Capitol Campus  
304 15th Ave SW, Olympia, WA 98501

### **Meeting Minutes**

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#### **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, July 17, 2019. Member Ollie Garrett was present, Member Russ Hauge was excused.

Chair Rushford: Thank you to those of you who made the extra effort to join us at this alternative location. We hope to be in our Board room by next week.

#### **2. APPROVAL OF MEETING MINUTES**

MOTION: Member Garrett moved to approve the June 12, 2019, meeting minutes.

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

#### **3. CANNABIS RELATED RULEMAKING**

##### **ACTION ITEMS (A-F)**

##### **ACTION ITEM 3A - Board Approval of Revisions to BIP 05-2018 for Cannabis Packaging and Labeling Rules Implementation**

Kathy Hoffman, Policy and Rules Coordinator, began the briefing with materials (HANDOUT 3A 1).

Ms. Hoffman: Thank you. Good morning, Chair Rushford and Board Member Garrett. This morning I have a series of board interim policies that we're updating.

By way of background, our packaging and labeling rules under WAC 314-55-105 were updated in May of 2018 to become effective June 1 of 2019 in order to allow the regulated community time to adjust to those changes. This series of policies were entered in May of last year and continuously since that time. And I

don't mean every month, we updated the policies to adjust dates since that time. The first of those policies is BIP-05-2018. And that has to do with the implementation of the changes to WAC 314-55-105. This revised policy that I'm presenting to you today would extend the compliance date on that particular policy to July 1 of 2020. So, I would ask for your approval. There are no other changes to this policy other than the extension of the compliance date.

Chair Rushford: And is this the one that considers an additional extension for both processors and retail?

Ms. Hoffman: No.

Chair Rushford: Thank you.

MOTION: Member Garrett moved to approve the Revisions to BIP 05-2018 for Cannabis Packaging and Labeling Rules Implementation.

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

### **ACTION ITEM 3B - Board Approval of Revisions to BIP 07-2018 for MJ Labeling – False and Misleading Clarification**

Kathy Hoffman, Policy and Rules Coordinator, began the briefing with materials (HANDOUT 3B 1).

Ms. Hoffman: Thank you. The next policy also has to do with WAC 314-55-105. This has to do with the phrase "false and misleading" on packaging and labeling. Again, this is just an extension of a policy that was entered on January 9 of this year. It extends compliance date to July 1 of 2020. So, there are no other changes other than an extension of the compliance date. I ask for your approval on BIP 07-2018.

MOTION: Member Garrett moved to approve the Revisions to BIP 07-2018 for MJ Labeling – False and Misleading Clarification

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

### **ACTION ITEM 3C - Board Approval of Revisions to BIP 08-2018 for MJ Labeling – Curative or Therapeutic Effects**

Kathy Hoffman, Policy and Rules Coordinator, began the briefing with materials (HANDOUT 3C 1).

Ms. Hoffman: Thank you. The next policy revision is Board Interim Policy 08-2018. This has to do with the clarification of language around curative or therapeutic effects on the packaging and labeling for useable marijuana, marijuana concentrates, and marijuana-infused products. We're asking that licensees fully comply with this policy until January 1 of 2020 because ESSB, or Engrossed Senate Substitute Bill, 5298 passed the legislature of this year will go into effect on that date. And, we should have rules in place that

incorporate the requirements of that legislation. So, this policy merely extends what was entered on January 9 of this year to the end of the year. I would ask for your approval on BIP 08-2018.

MOTION: Member Garrett moved to approve the Revisions to BIP 08-2018 for MJ Labeling – Curative or Therapeutic Effects

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

### **ACTION ITEM 3D - Board Approval of Revisions to BIP 09-2018 for MJ Labeling – MIE Colors and Homogenization**

Kathy Hoffman, Policy and Rules Coordinator, began the briefing with materials (HANDOUT 3D 1).

Ms. Hoffman: Thank you. The next policy is Board Interim Policy 09-2018. This has to do with marijuana processor license and marijuana infused edibles, homogenization and colors. This policy was updated on January 1 of this year and this update merely extends it to July 1 of 2020. So, I would ask for your approval on Board Interim Policy 09-2018.

MOTION: Member Garrett moved to approve the Revisions to BIP 09-2018 for MJ Labeling – MIE Colors and Homogenization

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

### **ACTION ITEM 3E - Board Approval of Revisions to BIP 10-2018 for MJ Labeling – MIE Colors**

Kathy Hoffman, Policy and Rules Coordinator, began the briefing with materials (HANDOUT 3E 1).

Ms. Hoffman: Thank you. And the final policy I'm presenting is Board Interim Policy 10-2018. This has to do with color of marijuana-infused edible products and packaging. This policy was originally entered in December of 2018, updated again in January of 2019 and this current update merely extends this to July 1 of 2020. So, I would ask for your approval on Board Interim Policy 10-2018.

MOTION: Member Garrett moved to approve the Revisions to BIP 10-2018 for MJ Labeling – MIE Colors

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.



### **ACTION ITEM 3F - Board Approval of CR 101 for Voluntary Compliance Program**

Kathy Hoffman, Policy and Rules Coordinator, began the briefing with materials (HANDOUT 3F 1-2).

Ms. Hoffman: I'd like to request your approval to file a CR 101 for a pre-proposal statement of inquiry that allows us to consider establishing a voluntary compliance program within our enforcement division that would help us implement the provisions of Engrossed Senate Substitute Bill 5318. This program would help us establish a voluntary compliance program that would be created in consultation with marijuana businesses and licensees. It will be designed to allow licensees to consult with the agency around regulatory requirements and compliance requirements. It's really designed to encourage compliance within our regulated community.

#### Timeline

July 17, 2019	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101). LCB provides notice to stakeholders.
September 4, 2019	Code Reviser publishes notice.
October 4, 2019	End of written comment period
January 22, 2020	Board is asked to approve filing of CR102 rule proposal.
March 18, 2020	End of written comment period
March 18, 2020	Public hearing held
April 15, 2020	Board is asked to adopt rules
April 15, 2020	Agency sends notice to those who commented at the public hearing and in writing.
April 15, 2020	Agency files adopted rules with the Code Reviser (CR 103)
May 16, 2020	Rules are effective (31 days after filing)*

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

MOTION: Member Garrett moved to approve the filing of CR 101 for Voluntary Compliance Program

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

### **RULEMAKING FORECAST**

Ms. Hoffman: First of all, the penalty rule project. Our work group, as I've shared before, has been meeting consistently since March 29 of this year. We met again last Friday and I think we have a pretty solid rules set. I'm expecting a few more changes from our industry partners by October 5. At this time, I have tentatively scheduled August 29 for our first listen and learn session on this particular rules set. We'll send out confirmation emails once we've had an opportunity to review the final draft internally and offer enough time for our regulated community to review the conceptual rule draft.

You just approved the voluntary compliance program (CR 101) for that particular project.

True party of interest (TPI) rules - we are incorporating the implementation of ESHB 1794 with that particular rule project. We are still conducting internal work on those rules, although I did provide our penalty rule workgroup with a draft conceptual copy so that we could work off that copy with respect to the definition of control. That concept is used throughout the penalty rule restructure within the grids, so those rules sort of work off of each other. So I anticipate, again, comment from our regulated community as well as additional comment by August 5 of this year. We have a meeting with industry partners and LCB staff on August 12 and then we'll be ready to move towards having listen and learn sessions. I anticipate those will be scheduled for September at this point. It may be sooner but with penalty rules coming up at the end of August in terms of listen and learn, I'm thinking September would be appropriate for these. Any questions so far?

Chair Rushford: Member Garrett, any questions? No, please continue.

Kathy Hoffman: Next is quality assurance testing rules, I think we're all aware we weren't able to go forward with our meeting on the 25 of June. That listen and learn now been rescheduled to August 22. And I anticipate that messaging will go out the first part of next week along with a conceptual draft ruleset that has been significantly updated and remodeled for our regulated community to respond to. The focus of that listen and learn session, however, is mitigation in phase-in strategies. So, we're really seeking innovative and sort of out-of-the-box ideas about how we could mitigate the impact of rule implementation on the regulated community while meeting our public health and safety goals.

And finally, packaging and labeling rules. We've received a significant amount of comment from our regulated community. We really appreciate the breadth and depth of the comment that we've received. Also, a lot of self-reported data with respect to the economic impacts of the rules to this point. So I'm analyzing that data, I should have it available for folks to start reviewing in the next couple of months. At this point, I'm anticipating that listen and learn sessions will be scheduled for these rules as well as the TPI rules in September. We're working really hard at redesigning these rules and making them -- increasing the readability and decreasing the complexity of the rules as they exist now.

Jane Rushford: Much appreciated.

Kathy Hoffman: Thank you.

Jane Rushford: Thank you everyone.

Kathy Hoffman: And finally, our vapor rules are still on track. The end of the comment period was July 10, I haven't received any comments on these rules to date. So, that's all I have for you today. Any questions?

Chair Rushford: No questions. Thank you, Kathy. Brian, would you please take a moment to tell us what you know about the traceability status. Along with many of you, many licensees and LCB's IT specialists have put in innumerable hours and work nearly all night to address the issues.

Brian Smith: Good morning, Chair Rushford and Member Garrett. I'm Brian Smith. For the record. I am the communications director for the Liquor and Cannabis Board and as you noted, it's been a long night so I'm going to refer to my notes if you don't mind.

The Leaf data system is the state's traceability system and it is run by MJ Freeway, our vendor. The system will be fully implemented through a series of releases. A long planned release was scheduled for



Tuesday morning that was comprehensive -- it was the biggest one to date. We had tested the system all the way up until after midnight of Tuesday morning and it met all the state criteria to go ahead. We then gave our approval.

When the system was deployed at about 7am on Tuesday morning, an error was found in the release that caused a breakdown in the ability for licensees at the wholesale level to do business transactions. The issue was not a data corruption but instead lab results for Leaf inventory that existed in the database that the association or the cross-reference in the database for the inventory lab results had been broken. And so, the root cause has not yet been identified but is being investigated right now.

We have a team that's on this 24/7, working with the vendor and getting communications from them so that we can make the decisions that we need to. Our priority was to ensure that our licensees are able to work within the system and carry on their business. And so, we decided that based on what we were hearing and the fact that there was not a solution in place yet from our vendor, we should shut the system down at 1:30 pm on Tuesday, which is what we did. In the meantime, we had two criteria for MJ Freeway - that they had to be able to find a solution that's going to enable us to bring the system back up and that solution had to be tested to the LCB satisfaction and deployed. If that was not the case and that could not happen we were going to institute the rollback plan, which was to roll it back to the system we had before we began the implementation phase, which would have been Saturday night at about 10:50 when we shut the system down to do the migration of the data conversion.

During that time and overnight, the vendor prepared a solution, a script, basically, to the code that they could put in and deploy. And they supplied that to us, I think it was at 3:00 in the morning. We needed time then -- we had a built-in timeline that we'd agreed to with our vendor to be able to test that code and validate it for ourselves. If the code was not valid by, actually, I think it was 4:30 in the morning then we would institute the rollback procedure. We had communications that went out to the licensees a couple times over the night. We were in communication via conference call with the integrators who in advance told us they needed a few hours to be able to make sure that their system was ready if we moved to the rollback procedure. Things went fairly well last night and got what we were hoping for, and that is that the dissociation of the two not driving together of lab results for Leaf inventory had been resolved to our satisfaction. The affected records now have lab results tied to the record at every step in the chain of custody. The LCB and a handful of third party integrators tested the system and verified the results. The test showed that all lab results and the data were in place and intact and there was no impact to the integrity of the data.

Additionally, there was a simultaneous fix that was implemented that resolved the issue of some licensees being locked out of the system. That didn't happen for everybody but for some of them. The LCB steering committee unanimously approved the go decision for deployment at approximately 4:30. That was put into place and by 6:00 am, the system was up and fully functional and ready to roll and rolling along and open for business. And we communicated that out to the integrators. We communicated that out to the licensees. I came from a meeting at 9 am with MJ Freeway prior to this and they were showing just only a couple of tickets, which is what they would do if someone called the service desk there and needed their help on an individual basis. But the system was operating and functioning as expected. Are there any questions?

Jane Rushford: Any questions?

Member Garrett: No.

Jane Rushford: Brian, thank you very much.

Brian Smith: You're welcome.

Jane Rushford: I appreciate your commitment and the commitment of all involved from the licensees as well as all of our LCB staff. With that, we'll move to the public comments section of the agenda.

#### **4. GENERAL PUBLIC COMMENT**

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

##### Gregory Foster – Cannabis Observer

Good morning Chair Rushford, Member Garrett. I'm not as prepared this morning with my remarks but I felt like it was important for me to go ahead and reserve this spot to talk with you a little bit about the traceability situation that's been unfolding the last several days. For the record, I'm Gregory Foster with Cannabis Observer. I also sit on the traceability advisory committee here at the agency on behalf of the Cannabis Alliance.

I think as you heard just now from Director Smith, it has been a very challenging couple of days for the agency, for your vendor, and especially for the regulated community. And I know that there's been a lot of sleepless nights the last few. There's also been a lot of talk. I think at this point, it's fair to say that the inadequacies and I would go so far as to say incompetence of the vendor, MJ Freeway, is self-evident and that you are going to be receiving more calls for doing something about that particular situation.

Now, I'm very familiar with how complex this situation is and all of the different relationships involved and that in many ways, the agency is painted into a corner and doesn't have a lot of good choices for moving forward. Whenever there is a situation like that, I think it's worthwhile to take a step back and ask if we're doing it right because it is proven very, very difficult not only here in Washington State but in other states that have legalized recreational cannabis, adult-use cannabis. The failings of MJ Freeway as a vendor providing seed to sale traceability solutions is not unique to that vendor, although I think it's also safe to say that they are by far the worst of the vendors that are out there that are providing these sorts of solutions.

So, we have already gone through a phase of actually kind of switching courses halfway through, moving from BioTrack to MJ Freeway with a bit of downtime during the contingency reporting period. I know that the agency is not excited about the idea of just switching to another vendor. In the traceability advisory committee meetings, I have been pushing for and advocating for a different approach that gets the agency out of the business of actually running the entire marketplace, of being responsible for operating a centralized system that is prone to failure and prone to downtime, which impacts the entire regulated community. And, I am advocating for an approach that moves more towards a reporting and compliance oriented approach where the agency defines the data that it needs, when it needs it, and in the format that it needs and requires licensees to report that information in. However, the industry should be responsible for the business to business transaction side of things, so there is not this problem whenever there is a failure with a central, single node that the industry can continue operating.

I'm happy to work with you on this and encourage you and the regulators roundtable meeting that Ms. Hoffman and Ms. Hodgson and the director at the agency will be at next week to field this conversation and see how the other regulators are feeling about their traceability vendors as well.



Chair Rushford: Thank you, Gregory

Mark Ambler – Tier I Producer Association

Hi, good morning. I'm Mark Ambler and really I just signed up on the list to kind of introduce myself. I started the Tier I Producer Association and I'm trying to talk to as many Tier I producers as I can and get their ideas and concepts together to present to you to help address that when you guys make new rules or when you make changes or just to be here and listen and provide feedback as much as possible.

One of the things that was mentioned, I recently tried to get feedback from everyone on what would help them survive in this industry. It's really tough for a lot of us. One of the things that somebody pointed out was if they want to be a seed producer right now they can't use colloidal silver. So if we can start -- maybe Kathy, start talking about a process we can legalize production of seeds in this state so we can start thinking about exports.

But, other things we're thinking about, personally, I've been in the lei industry for a while. I come from Hawaii. And so, you know, little quirky ideas like that Tier 1 can do, like making cannabis leis, maybe CBD flower. How awesome would that be? Or just a bouquet of flowers that includes cannabis, maybe a CBD flower. As much as I can, I'm speaking with Tier I licensees trying to get those ideas and trying to get feedback to you to redirect and help everybody survive. Thank you.

Member Garrett: Did you say you were part of an association?

Mr. Ambler: Yes, Tier I Producers Association.

Member Garrett: Has that been added to my Cannabis Advisory Council?

Dustin Dickson: Yes

Mr. Ambler: I'll be there this afternoon, thank you.

Chair Rushford: Thank you, Mark.

Vicki Christophersen – Washington Cannabusiness Association

Good morning. Thank you for letting us speak today. My name is Vicki Christophersen. I'm here today on behalf of the Washington Cannabusiness Association. We have a lot of things to talk about so I'll try to be succinct.

As you know, the Washington Cannabusiness Association represents all segments of the industries from lab to producers, processor of all sizes, retailers of all sizes and in all geographic areas. I want to start by saying thank you for extending the deadline on packaging and labeling rulemaking and also a really big thank you to Kathy Hoffman who's doing a bang up job working with the industry. We very much appreciate it. You know, we all share the goal of products that are not appealing to children, absolutely. But, unfortunately, the situation that we've found ourselves in is a really subjective approach that has cost our licensees tens of thousands of dollars in attempting to get a product approved for market. It is really crippling a lot of folks, particularly the smaller businesses in the state. So we appreciate you taking the time to really get it right.



On traceability, when I look back and reflect on where we've been - and I've been working on this since the beginning - we're five years in with two vendors and it hasn't worked and not to rehash the things Mr. Foster said, I think it's time to look at a different approach. And, you know, the statute says that the products need to be traced from seed to sale. It does not say that the state of Washington has to maintain its own software system. I think we've seen that there are a lot of really good operators out there and third party integrators that have systems that work. I think we need to trust the licensees and those businesses to trace their product. I'll be frank. There isn't a business in the state that doesn't want a good inventory system. It doesn't do them any good generally as a business owner. So, I think that we can work together to look at different solutions that will serve the public need of making sure that we have a very well traced and audited system. But maybe spend a little less money and focus the money where it should be - on compliance and the other pieces. We really look forward to working with you to take a step back and look at whether it's time to do something different.

I'd like to talk just about one other thing and that is the implementation of Senate Bill 5318 and compliance and enforcement. Again, we're very appreciative of the collaborative process that Kathy has put together for doing the rulemaking on this. I think we're making a lot of progress. The thing we're not seeing yet and where we could use your help is the translation of the legislative intent and I believe the board's intent all the way down to the officer on the street, because we're still seeing violations being issued that would result in cancelation for things that once these rules are implemented would not result in cancelation. I don't believe it's anybody's intent at the leadership level here, or at the legislature, to have licensees facing cancelation for things as simple as bookkeeping or things that happened three years ago. We could use your help in conveying to enforcement, and all the way down to the officer level, that we're not looking for every little ticky-tack thing. We're looking for truly public safety violations, things that threaten the integrity of this system. And we want to work with you collaboratively on that. We don't want people doing things that are unsafe. But at the same time, we have an industry that, frankly, is in a state of chaos with all of these things: packaging and labeling, traceability, TPI rules, all the compliance and education, and we just need to collectively work together to get this house in order so that the system can work and the industry can continue to work and thrive and provide revenue for the state. So, I hope that we can work together to achieve these things. Thank you.

Chair Rushford: Thank you, Vicki.

#### Jim MacRae – Straightline Analytics

Good morning. Thank you for this opportunity. My name is Jim MacRae, I'm with Straight Line Analytics.

A few points today. On the legislative agenda for this year, which I understand is not set yet, I would like to encourage the Board to consider including at least one piece of legislative input that is aimed towards doing something to repair the damage that has been done over the past couple of years to the delivery of and receipt of cannabis as medicine per the Department of Health (DOH) standards. Last year at about this time we began meeting with a group of patients and healthcare practitioners with core members of the Board and DOH representation. That culminated ultimately in the late summer, early fall, with at least two or three documents produced and submitted to the group showing specific areas where legislative and regulatory input might make a difference. At that time we tried to push for something to get into the legislative agenda but it was deemed too late in the process. I would like to encourage you, if no one else has, to search out those documents that were sent to the LCB and see if there's something in there that you might be able to include in the agenda. I would appreciate that.

On what was discussed today, Board Interim Policy 07-2018 on the false and misleading statements relating to alcohol and things being alcohol-like. I know that's settled business in terms of an interim policy but you chose to extend it by six months. So, in the rationale for that you mentioned that there's an increase to public risk. This policy addresses public safety. I'd love to hear that explained at some point or see if you could rationalize that because anything that someone may confuse as cannabis for alcohol, if they're searching for alcohol and they get cannabis instead, I simply can't envision that being a public safety risk. Cannabis is the less harmful alternative in virtually every situation, including driving, that you could see. Not that it's being preferred, but it's hard to see it be anything other than a complaint from someone in the alcohol space, and this is punitive towards cannabis, almost in a competitive way. There's all kinds of trademark law that they could bring to bear on that if they thought they were being infringed upon on specific projects. But doing it generally almost extends the issues that the industry has had with respect to that, which is differentially attractive to children. So, I warn you about extending that too long. It's an issue that seems somewhat discriminatory towards cannabis relative to alcohol.

On the curative and therapeutic effects, I'm not sure if that was extended or if there's new language there. The Interim Policy 08-2018 that you were talking about today didn't seem to be extended in time so I don't know why it was on the agenda today. I'd like to say if you're going to extend that, why don't you consider removing it or changing the language to be consistent with what I understand the intent of ESB 5298 to be, which is to allow reasonable non-FDA uncompliant language? It's almost as if this Board is taking on roles that traditionally in this country would be taken on by the Food and Drug Administration. I assure you, they'd be quite happy to come after anybody and anything, be it cannabis, a labeled product, or something else if they start making curative and therapeutic facts. To reinvent that wheel seems wrong, particularly given that the intent and language of ESB 5298, which you know comes into effect next year and basically removes those instructions. Why are you continuing them? Just let them lapse and things get better.

Finally, on traceability, once again, please stop putting good money after bad since you seem to be paying beyond the budget right now. Thank you.

Chair Rushford: Thank you, Jim.

Mike McDonald – Endicott Enterprises

Good morning. My name is Mike McDonald, I'm with Endicott Enterprises, LLC. We operate three marijuana retail licenses in the state of Washington and I'm here to talk about the negative impacts from the enforcement and the undue hardship that has been put upon us from advertising regulations specific to signs attached to the building.

When we first got established in 2017, we got approval for our sign from the Washington State Liquor and Cannabis Board. Our logo was 1,585 square inches, within a light box that exceeded the 1,600 square inches. I'd like to submit some pictures.

When the enforcement changed, they started really enforcing on signs and we were told our light box exceeded the 1,600 square inches. My LCB agent told me we needed to change it. I went many other routes discussing this. Ultimately, I was issued numerous verbal and written warnings and told if I didn't fix it by a certain date, I was going to start getting fined and would have an advertising violation. I did not want to do that. I want to maintain compliance with state regulations.



So, we went ahead and paid to have our light boxes removed. We're in the process of getting new signs attached to the building. It's going to cost us around \$30,000 to get all this done. And then as I drive around I feel we've been burdened with an undue hardship to do this because at almost every single cannabis retail store the light box they use for their sign exceeds 1,600 square inches. I feel that this is being pushed upon us and it's not being equally enforced around the state. I could point out numerous examples of people who are, specifically in the city of Tacoma, who are exceeding that size of light box. It's not being equally enforced around the city. I find this to be rather upsetting and it's costing us quite a bit of money. It's becoming a problem.

I would like to see equal enforcement if that is exactly the way the law is going to be enforced and I would like to see that equally enforced across the board. Because if it's not equally enforced, I see it as an undue hardship that's been issued upon our business. I'd like to submit pictures of our signs that used to be there. I also brought with me a copy of my written warning.

I'd like to thank you for the opportunity to let us come and participate in democracy and get our voice on the record. I'm always a little disappointed that there aren't more licensees that attend these meetings and talk directly to you, and so I just want to let you know that this is a concern of quite a few people.

And then, it would be nice to see equal enforcement across the board. I don't think that's asking for too much and I think a lot of it is just each enforcement agent interprets the law a little bit differently. We have retail licenses in other locations who get different answers when they ask the same questions. I know that there are licensees out there who go answer shopping. I'm going to call this other LCB agent to see what he says, and so on. And from the enforcement side, if this is the way that it's going to go about it'd be very nice to see it equally enforced across the board - specifically with just light boxes. I came up with a lot of solutions that I thought would've been adequate and I was shot down every single time. I've since seen other people utilize those same ideas I had and they've been approved. So thank you for this time. Can I just leave these on the table? (CITIZEN SUBMISSION 1)

Chair Rushford: Dustin will take those, thank you. Is there anyone today that didn't have an opportunity to sign in?

#### Lukas Hunter – Harmony Farms

My name is Lucas Hunter, I'm representing Harmony Farms today. I just wanted to reach out and let both of you know that we are currently unable to manifest, similar to yesterday. And, with the three days that we've been down we've missed out on a little bit over \$100,000 worth of orders.

The traceability system has had ups and downs and struggles, but at this time we're still facing this challenge that's impeding our ability to do business. It's not necessarily what's shut down now, but our inability to have packaging over the weekend will continue to affect us down the road. You are working very hard and I completely understand that but I do think it's important that you do know that the impact is quite large and we are just one industry member amongst around 1,200 producer processors in the state. Thank you. I appreciate it.

Chair Rushford: Thank you, Lukas.



Brooke Davies – Washington Cannabusiness Association

Good morning, Chair Rushford and Board Member Ollie. My name is Brooke Davies for the record, here today on behalf of the Washington Cannabusiness Association. I wasn't originally planning to speak but I wanted to take this opportunity. I know Director Smith gave you an update on the traceability system, but to further explain what Luke just mentioned, as we're sitting here right now both my phone and Vicki's phone are just overwhelmed with messages from our members. So, there may be some improvement since yesterday but our licensees are still not able to conduct business and it really is affecting them. And it extends beyond just the licensees. Our licensees use third party delivery companies that are also not able to complete deliveries and that's business that they'll never be able to get back.

I just want to keep it in front of you to let you know that they really are struggling. They're not able to conduct business as normal and even though there might be some stabilization, it still really is touch and go and a lot of people are really struggling. We'll work hard to collect all of the information we're getting from our members and share that with you, but just wanted to keep it in front of you. Thank you for the opportunity.

Chair Rushford: Thank you, Brooke. Did you have anything, Ollie?

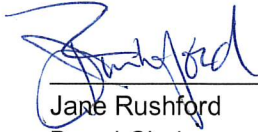
Member Garrett: Yes. On the comment, I think it was Mike that made it, that he would love to see more people in the industry attend the board meeting - we're taking it on the road and that's why. When is the next one going to be on the road?

Chair Rushford: We'll be in Bothell on August 21 and this past January we were in Spokane. We're going to do two on the road, a minimum of two, maybe three in 2020 so that we can reach more people. Typically, we provide an opportunity for the public to listen in to the meetings. We have Periscope today so people can be watching or they can view our website post-meeting. We're trying to do a number of things on an ongoing basis to ensure we're reaching as many of our licensees, stakeholders and communities as possible. If nothing else, this concludes the orders of the day. Thank you everyone for being here.

**ADJOURN**

Chair Rushford adjourned the meeting at 10:42 am.

Minutes approved this 22 day of AUGUST, 2019



Jane Rushford  
Board Chair



Ollie Garrett  
Board Member

*Not Present*

Russ Hauge  
Board Member

Minutes prepared by: Dustin Dickson, Executive Assistant to the Board

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

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