



## Executive Management Team Meeting

Wednesday, July 14, 2021, 1:30pm

This Meeting was Convened via Conference Call

### Meeting Minutes

#### EMT ATTENDEES

Chair David Postman  
Member Ollie Garrett  
Member Russ Hauge  
Rick Garza, Director  
Toni Hood, Deputy Director (excused)  
Chandra Brady, Director of Enforcement and Education  
Brian Smith, Communications Director  
Becky Smith, Licensing & Regulation Director  
Chris Thompson, Director of Legislative Relations (excused)  
Gretchen Frost, Special Assistant to the Director  
Dustin Dickson, Executive Assistant to the Board

#### GUESTS

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#### APPROVAL OF MEETING MINUTES

MOTION: Member Garrett moved to approve the May 12, 2021, EMT meeting minutes.

SECOND: Member Hauge seconded.

ACTION: Chair Postman approved the motion.

Chair Postman announced the consideration of the June 9, 2021, EMT meeting minutes was postponed.

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#### LICENSING UPDATE – BECKY

Becky Smith: Good afternoon. I actually have some exciting information to share. And, although my presentations are always exciting, I do want to begin with the social equity piece because my staff and I have been working on drafting a proposal for communications for updating our website content to provide potential social equity applicants general licensing requirements and social equity information.

This is information and an ask that we've received from the Social Equity Task force. We've had folks reach out to us regarding the application process -- are there things that they could be working on and doing as part of preparing for the application process to open up? And so we put together some information, and I think it's great information. We've done some research around viable locations or at least what the jurisdictions look like. We'll be looking at continuing developing a map that shows areas where, maybe, local zoning doesn't permit for cannabis businesses to be operating. Or, maybe there's an ordinance that doesn't allow for them to be in a certain location.

We've also included on our website "five things" somebody who is deciding on whether they want to apply for a social equity application once that window opens, what they can do to prepare. It has lots of good information. We've shared it with Rick and Brian, of course, and this morning we had an opportunity to share it with Ollie to receive some feedback. We're excited to get it on our website. It really has some good information for applicants that have some interest in applying for a license. Rick or Brian or Ollie, do you have anything you want to add?

Member Garrett: I don't want to go into too much of it, but I'm going to request 20 minutes on the agenda for the next full social Equity Task Force meeting, which I think is at the end of July, so we can do a demo and show it at that meeting. I was very impressed and very pleased. I think it's thorough. It covers a lot of everything a person would need just thinking about getting into the industry and all of the websites they would need to go on. Everything they're needing is going to be very accessible and easy to navigate. So, it was great and I can't wait for us to present it at the next full Social Equity Task Force meeting.

Brian Smith: I echo that. They did a great job on that and bringing it forward, and I've got a little more to add when I do my update when I'll talk about how we plan to implement it.

Ms. Smith: And then just a couple of other follow ups regarding that piece of work is that we're also reviewing with other states. So, on July 6, we met with Illinois' Cannabis Control Office. We want to learn more about their social equity program, including their licensing process, of course, their scoring criteria and some of the outreach that they have done as part of their programming as well. I'm going to also be meeting with the state of California and some of their jurisdictions that also have social equity programs up and running or in the beginning stages. So again, it's a very exciting process that's happening and moving forward.

Member Garrett: Becky, in reaching out to other states, have you run across any that has a positive type, any social equity program that have some pieces of it that have worked? Because it doesn't sound like it. It sounds like everything is -- even though they're just getting going in the industry, that they are slow on getting started with their programs.

Ms. Smith: Yes, I'm just in the beginning stages of doing some of those reach outs. I know for Illinois, the manager who's over that program has done a fantastic job. But still, there hasn't been any licenses issued yet, but their questions are good. It gives us an opportunity to see what their questions are. Remember, we were the first to start back in 2013. To be able to learn from others about what they would differently, I think will be helpful. The state of Illinois shared that information with us that their application tends to be quite long. I haven't heard of yet social equity process that has gone smoothly. So, hopefully we'll be able to learn from other states and be able to put together a process that will work for Washington.

I'm going to move on to customer service. Our special occasion application process, our licensing requests, have gone up. In the months of April and May we saw about 90, we've seen about 100 for the

month of June, 120 already in the month of July. What that tells us is that people are planning and putting events together with those special occasion licenses. Some of them, a lot of outdoor events, is what we're seeing. And, more family type events as well.

We're also doing a lot of presentations again. For a while there, we had a lot of virtual events and now we're being asked to come and do events in person, some are still virtual, but we'll be in person on July 15. We're going to be doing a presentation, customer service, of course, online forum with the Washington Wine Association licensees to discuss the pros and cons of the licensing process and to address any industry questions that they might have.

And then we're also going to be doing another presentation with Enforcement. What I've seen here over the last few months is that we're doing a lot more presentations with Enforcement, hand in hand with that collaboration with Kim Sauer and a sergeant out of the Federal Way Enforcement Office that will be doing a presentation to 7-Eleven franchise owners. They'll be able to provide information regarding the responsible vendor program and application process, how to do ID checking, for instance, the different methods. But again, good collaboration going on with Enforcement.

And then for liquor licenses, I do want to share that again, we're seeing an uptick. We're almost back to pre-pandemic numbers. We're seeing about 340 applications coming in at a time. Last month we issued around 200 new licenses. And new licenses do not mean a new business. New licenses mean a new owner. So, we're not seeing a lot of new businesses popping up but certainly new ownership out there and a steady increase in the number of applications coming in. Again, back to that collaboration with Enforcement. They have a meeting every other Friday with MIW (manufacturers, importers and wholesalers) Enforcement and Education team. They meet with our licensing team to discuss any type of licensing challenges they may have regarding non-retail. They have this great partnership. They've really built an opportunity to have some teaming and some discussions going on if there's any concerns or questions from either licensing or enforcement.

We're also seeing the same with our cannabis folks as well. Quarterly, the Cannabis Licensing and Enforcement Management teams gets together. They take that opportunity for cross-division collaboration and debrief. If there's discussions they need to have, if there's questions regarding issues that have come up, perhaps questions they have in the license that has been issued, that's the time that they have those type of discussions. They also take the opportunity to have some experts come in and do some training for both Licensing and Enforcement. And in August, they're going to have Nicola Ried come in and talk to both sides about receiverships. Again, sometimes it's just updating education, state suspensions process, expired licenses, and if there's a way that we can improve the process. What we've seen is that these groups are ones that get together and they build an opportunity to look at some type of policies or maybe procedure changes that need to happen.

With that, I just want to do one more reminder and then I'm going to see if there's any questions. We have a customer service results meeting tomorrow. Really excited to do the presentation. The folks have worked really hard in customer service in showing all of their work and some of the changes that they've made along the way and particularly paying attention to COVID and some differences in our practice that we've seen this past year. And then of course, we're continuing to work on our inclusion statement in Licensing. I mentioned it a month ago that the supervisors and managers are in our final stages of developing for our division the definition of inclusion. We started the process because of an employee survey that we received and we identified this was an area of improvement that we needed to be challenged to make some changes. And so we have a draft document that we've provided to the supervisors. They've already provided information back to us. But again, we are taking the opportunity to

work with our staff. We're hoping to see some changes within our organization, within our division but also outside with our customers as well. So this will be a changing document that continues to change over time as we make changes in our process and our practice. So, with that, I want to see if anybody had questions.

Chair Postman: Questions from the Board?

Member Garrett: Becky, what is the time frame and what the policy was during COVID of being able to get alcohol with to-go orders? The process that we allowed -- was there a timeframe or something on that?

Ms. Smith: So you mean the allowances, how long we're going to continue to allow for that to happen?

Member Garrett: Yes.

Ms. Smith: I believe for delivery, that is something where we have a bill that was put forward to allow that to continue.

Member Garrett: Okay. And on being able to get alcoholic drinks with to-go orders, the restaurants. That's the same thing?

Ms. Smith: It is the same thing. And you'll see that we have information about that on our website. Maybe Brian could speak to it. Brian did a great job of providing what is going to continue to be allowed and what's going to end on June 30.

Mr. Smith: Most of them end on July 31 but there are several, as Becky said, that we ran legislation to extend. And those will be in place, including cocktails to-go, until 2023 unless the legislature extends.

Member Garrett: Thank you.

Rick Garza: The bill was 1480, Ollie. And I was going to cover a little bit about the study that we have to do in the next year. But everything that Becky and Brian said is true. Many of those allowances with respect to curbside service takeout and delivery allowances were codified for a period of time, we have a couple more years that they'll stay in place before they go away. And then when I speak, I'll talk a little bit about the study we have to do.

Chair Postman: Member Hauge, did you have a question or comment on this part?

Russ Hauge: This is very helpful. I'm looking forward to seeing the outcome after the next Diversity Task Force meeting. It's really important progress.

Chair Postman: I have one question for you, Becky. When you were talking about the uptick in alcohol licenses, and I understand transfers may not be new businesses, but where do we stand on sort of total number of licensed businesses pre-pandemic to today? Did we see an impact from restaurants and/or bars going out of business?

Ms. Smith: So we haven't been able to capture that yet and I'll tell you why. Because what our usual practice would be, if somebody doesn't pay their fee to renew then we'd go out and Enforcement would go out and check and we'd close that business. But because of the pandemic, we've extended those

allowances. So we haven't seen businesses that are truly up and running completely yet. So, if they haven't paid the renewal, they can't receive liquor into their restaurant. But that doesn't mean that they're out of business yet. So we'll be able to take a look at that over time but we don't have those numbers quite yet to know who all has gone out of business.

Chair Postman: Okay. Great. Thank you very much for that report. Appreciate that. Our next report comes from communications director Brian Smith on Communications and Media.

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## **COMMUNICATIONS AND MEDIA UPDATE – BRIAN**

Mr. Smith: Thanks, Chair Postman and members of the Board. I have a real quick run through of a few things.

First, I've got some good news. I've made an offer and had a person accept the job of the Communications 3 In-Training position. And I don't want to say the name today, publicly, until we get all the paperwork done but she really was an outstanding candidate. I think Summa Cum Laude in journalism from a school in New York, Ithaca College, and has been working out at Evergreen for the last three or four years, working as kind of a liaison between students and faculty in a number of issues. She's going to be really strong in the multimedia stuff that I think we lack in the communications shop. She's really strong in the film editing and those kinds of things. If you remember, I talked to the Board about our development of an ongoing video series. , and we've got three fourths of that done. But the last fourth that she can bring in is what we hope to be able to make it look professional. And so we've kind of held that a little bit in the back burner for the last month until we brought on someone and actually recruited for that type of skill set, in addition to good writing. So, she's going to be a great addition to the group. And I hope to be able to introduce her to you before too long, in person. But until then, I'm happy, she's happy, and it'll be a big help.

As you know, as we prepare early drafts of legislation, we run the drafts by stakeholders. I've been asked to be able to help out some of the coordination of what that communication might look like with stakeholders over some of these issues. One of them involves cooperating with the Department of Agriculture, including their communications director over there, and internally, the "return to the office" kind of communications. I don't know what else to call it. I mean, we're not returning to the office any time real soon as an entity -- I want to make that clear. But staff have lots of questions. The public will have questions about how they can interact with us. Toni Hood and Jim Morgan are the leads on that, so I've been working with them to make sure we're addressing those kind of issues early and often.

And then we just addressed the end of the allowances as Becky said, we did some work on the website, and sent an announcement out to folks. And that's going to continue to be ongoing probably again, as we get close to the end of the month.

You probably saw a message from Rick to all staff about the survey from the Office of Equity, which is headed up by Dr. Johnson, or "Dr. J" as she calls herself. And in addition to that, there's also an external piece, which is another survey and a message that goes out to our stakeholders, all of our industries that we regulate, with a different survey. When respondents fill that out, they add which agency they are referring to or who they interact with. These get returned to the Office of Equity, they're going to get 1000s of these, I suppose across all state government, and they will put together a plan for each of the agencies, or at least something to be able to come back and discuss. So, we'll get some interesting input, I think that's going to be valuable input. And there'll also be a period later for engaging stakeholders directly on

DEI issues. And so maybe Rick will have something to say about that. We're going to probably issue the external one as early as this afternoon.

The main thing now is the social equity in cannabis website. As you heard Becky say, licensing did all the work on that and it's going to be great. On our homepage, the prime real estate are those things that you see when you first bring it up. And it'll start off with the ready Washington logo. We call it the "dynamic display". It turns after three seconds and there's five items up there I think that people ask about the most. That's what we put there. And the "Cannabis 2021" is a section of our website that used to be white hot for years. All of our traffic was going to that site. But as things have continued to mature and we take on other issues, it's got a lot of static information I think on that, how the licensing process works. I think we're going to build on what Becky has for the social equity and cannabis, and have that other things to be able to augment it. So it'll give kind of a fresh look to something that we've had for a while but lead with maybe a new icon and new stuff going forward. So that's the plan. We're working on it and we're meeting with their staff on Friday. And based on all the work they've already done on it, the heavy lifting will be able to already be done and we can make this happen fairly fast.

And then ongoing, as the media continues, there is no single major issue that I'm dealing with at the moment. A lot of random stuff that we always get. We'll get two or three contacts a day, at least, coming in with any type of question. And I'm always working on presentations and working with Rick and Toni on messaging and that type of thing. But that's about it. Are there any questions?

Chair Postman: One quick one on the social equity questionnaire. Will the agencies be able to see the raw data coming back? Or does that go to Dr. Johnson and we see it after it's been synthesized?

Mr. Smith: Good question. It goes to Dr. Johnson. We see it after it's been synthesized. So, no one will be able to be identified by their particular response.

Chair Postman: Interesting. Thanks. Any other questions for Brian? Seeing none, thank you. Appreciate that. We'll go now to our Director, Rick Garza, for your comments.

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## **DIRECTOR'S COMMENTS**

Mr. Garza: Good afternoon and thanks, Brian, for covering the survey that we're going to be sending to stakeholders and licensees from the Office of Equity. And just as Brian said, it'll link to the Office of Equity and then folks will take the survey, and then it goes back to them and then comes back to us because we're going to need that information, I suspect, when we do the "listening sessions" that will come several months later. All of this information for this Office of Equity is to create a kind of a five-year strategic plan on DEI initiatives within state government. So I don't know that I need to cover more, I thought Brian did a nice job explaining it. But just so you know, obviously, our employees took the survey. I just approved the language, Brian, this morning, so we can send that out, like you said, to our stakeholders. And then we'll provide more information as we get it back for ourselves from the Office of Equity.

I didn't talk about it at the time because I knew I'd get a chance today but like Ollie and Brian, I was really impressed with the work that Becky and her team did with respect to social equity, to use our website as that place you can go to get information if you have an interest in being a social equity applicant. And everything I saw, like you, Becky, I'm excited to have the taskforce see the information. And Ollie, also I know I'm looking forward to providing that because I think it's really good work.

And then you asked the obvious question, Ollie, with respect to social equity – “What are we learning from the other states and jurisdictions that have these programs in place?” And just in discussions with Becky recently, I thought we would see that Illinois was a little further along than they are. So it feels like what we do, if we go to other states and other local jurisdictions and grab the pieces that work for us, for example, just last year Governor Newsome appointed Nicole Elliott Director of the California Department of Cannabis Control. That's the state authority for cannabis. And Nicole used to work in San Francisco. She was the Cannabis Czar in San Francisco when the Governor was in San Francisco, as you all know. And Nicole was very helpful.

A month ago on a CANNRA (Cannabis Regulators Association) call with us that there are local jurisdictions like San Francisco, Oakland, and LA, that have put programs together. I got a sense from her that San Francisco and Oakland are having some success, not just creating it, but implementing it, which is the tough part. Because Ollie, you're right. Every time we go to another state or location, there's pinpoints, there's issues with respect to legal challenges and the rest of it. So, I think that's a really good point, Ollie, that you make, is that we have to learn from the other states and locals and take the pieces that work for us. But it's not like somebody just handed us the playbook and said, “This is how it works.” And so I'm glad you raised that Ollie because that's true.

Secondly, Brian talked a little bit about the reentry planning that's been going on. And so what we did was we asked the division directors to reach out to their employees. And we did this through a survey months and months ago, to figure out what their return to work looks like. What's their vision? Is it one day a week? Is it every day? Is it a hybrid? I suspect, as we've said, it's going to be a hybrid where most people are probably going to keep the majority of their time at home, maybe a day or two in the office. We'll see if that's what we see. We asked the divisions to bring that back to management team by next week, so we'll have an idea to begin to think about what that looks like when we return. And so we've got time and I think Brian and others, and David, you've said it before is since we've been able to work from home and have not seen gaps in service, we want to recognize that there are folks out there and families that are still having issues with childcare and the rest of it. So we'll see what comes back. But just wanted to let you know that work continues.

Ollie had asked about 1480, the law that was passed to create the allowances and statute for a number of years. And so just so you're aware, we were given, I believe it was \$150,000 in a fiscal note on the bill to contract for an independent study of the impacts of the allowances. And there's some specific criteria that we have to follow. But we'll be doing an RFP (Request for Proposal) to find someone to do that work. And I just wanted to let you know that staff has begun the work of scoping out the RFP. Just so you know the timing, the study has to be started by January 1, and then we have to provide recommendations back to the Governor and the legislature by December 1 of 2022. So we're about a year and a half out but we're starting now so that we could begin the study earlier if we find the right contractor for that. And so just wanted to let you know that is a part of that bill. And Ollie, we can have staff provide you -- we did one pagers on all our legislation and it will provide specifically what the allowances are if you need to see that. So we can get that to you if you just -- I'll make note of it.

Number three, the Traffic Safety Commission has asked me to present tomorrow on the creation of CANNRA, the Cannabis Regulators Association. One of their staff had come to a meeting that we had several weeks ago. Sara invited all of our state agencies that have some either responsibility in regulating cannabis or have a nexus there, and obviously the Traffic Safety Commission does. And then one of their staff persons was at our CANNRA mid-year meeting several weeks ago. And so they asked if we would come and provide a short 10 or 15 minute presentation of the work that we're doing, the special

committees that have been formed, and that I know the Traffic Safety Commission is interested in the traffic impairment committee that was created. So just wanted to let you know that that work continues.

Also, representatives Kloba and Wicks, who are the Chair and Vice Chair of the Commerce and Gaming committee in the House, have asked staff to provide them with a presentation -- an overview of the cannabis regulatory system. And also in light of the discussions that have been happening around delta-8, 10 and the cannabinoids, just a refresher/understanding of what our authority is both regulatory and legal around this issue. So we'll be doing that overview I believe next Wednesday. Justin is helping put that together while Chris is away. But just wanted you to know that that's occurring.

Also got a call from Senator Murray's office yesterday, from their staff, letting us know that the discussion draft, the Federal Cannabis Legalization Act, it's actually called the Cannabis Administration and Opportunity Act, sponsored by Booker, Wyden, and Schumer. A discussion draft has been provided. And I think I heard from staff this morning that we have until September 1 to review. And so you know, Senator Murray's interest as the ranking Democrat on Health, Education, Labor and Pensions, is interested in the public health pieces of that bill and specifically FDA and so I've alerted staff to that. And I've got Justin as a lead along with Kathy and with Bruce Turcott, our assistant AG, to look at that document. It's 163 pages, so it's not anything small. But just so you know, we'll be providing some feedback. We'll be looking for anything conflicting with respect to that bill with our program. So just wanted you to be aware that that's happening. And we'll obviously provide you with an update of what we see or any concerns before we provide that response so the board has an opportunity to see and hear what we saw. We can provide that to the Board if you've not seen that yet.

And then CANNRA again has a meeting with the FDA next week. Many of the big federal agencies have asked for time with us in the last six months to share how we put our systems together. And so we're looking forward to that discussion with them.

I think I covered everything, Board members and staff, that I had today, but I'll open it up for any questions you might have.

Chair Postman: It looks like we have a question from Member Garrett.

Member Garrett: Thank you. Rick, two questions for you on the work from home -- now that we are allowing that and going to have it to where employees have a choice and hybrid option, are we making sure that that is in all of our postings for open positions at the LCB?

Mr. Garza: That's a really great point. I don't know, so I'll ask Anita in HR about that. But it's a really obvious question, isn't it? I think most people know that people are working remotely. But to your point --

Member Garrett: If you've got a position posted, just like what we went through with the DEI saying "Thurston County", they would not automatically assume -- are we close enough to where we are able to now get a broader candidate pool to work for the agency that aren't in Olympia.

Mr. Garza: That's a really good point. Ollie had raised that when we posted the second time for this DEI position. Some people probably rejected outright because it looks like you've got to work in Olympia. And that's not necessary, obviously, for this. So, yes, that's a really good point, Ollie. And I'll raise it with Anita, our interim HR director. Thank you.



Member Garrett: And the second question is, are we planning on, or do you think we should send, a survey out to our licensee to hear from them whether they've had a break in service from the LCB in the virtual world and what it's been like for them contacting us? We said we didn't notice it with employees but have we checked with our licensees?

Chair Postman: I just want to agree. I think that's a great point, I hadn't thought about it. We should definitely find a way to get that input and see.

Mr. Garza: We have such a large customer service desk in Licensing that gets all these questions. So I know that staff is on the line. So we'll talk about that at management team next Tuesday. But I think it's a really good point, Ollie, is how do we know we're not breaking that service with our licensees? And are there issues that we're seeing there? It appears they're getting through because I think the number one thing that happens right now with all these new festivals, as we open up the community and the state, you look at those special occasion license permits that are coming in. And that tells you everybody's getting back to where they were before because I think I heard Becky say we're almost at the same level as we had pre-pandemic. And that was a lot. If I remember right, there were 6000 events statewide a year. And so, I'm getting a sense that people are able to get through to our staff, but I'll directly ask the staff about that next week, Ollie, because it's a good question.

Chair Postman: Thank you. Member Hauge?

Member Hauge: When is it you're going to be briefing the legislature on our ability to respond, as you said, to delta-8 and delta-10?

Member Garza: Well, it's just a briefing with them about where we are, Russ, which is the advisory that was created and the work that staff is doing. I think it's next Wednesday, Russ.

Member Hauge: Are you going to be discussing delta-9 as it's manufactured from CBD from outside the 502 system?

Mr. Garza: I think it'll all be discussed. What we're seeing there, what we're seeing with respect to what created the advisory with respect to delta-8, 10. So yes, I think we'll be sharing as much as we know with respect to the issues that we've seen around that.

Member Hauge: And what are we going to be telling them about our ability or intention to respond to delta-9 being introduced to into our system after it's being manufactured from CBD from outside the system?

Mr. Garza: Well, if we have an active investigation occurring, which we do today --

Member Hauge: Wait, wait. I'm not concerned about investigations. I'm concerned about the policy. Are we engaging in a policy of accommodation, of letting this material into the system? Or are we engaging in a policy of interdiction, of trying to get it out of the system? Or are we doing something in the middle?

Chair Postman: I think we need to be cautious even in that question, Member Hauge, about whether or not we're doing one or the other at this point. And I have confidence that whoever's doing that briefing won't say anything more to legislators than they're able to say to us because if this is in the stage of a decision making and investigation that can't be shared with us, it should not be shared with members of the public or legislators.

Mr. Garza: Well, I think that's it. I think it's more of not compromising the work that we're already doing by sharing that with anyone outside of those that are conducting the investigation.

Member Hauge: I really don't understand. I mean, when you approach investigations, there is a foundation. And that is, if there's a responsible agency for the regulation that we're trying to enforce, what is the policy that we're trying to follow here? In our meetings and in our discussions, I have heard a range from "well, this is just a natural progression" and "they turned it into cannabis so we can't do anything". Is there some other position that we're taking? And I'm not amused by it, myself, I'm really concerned that we are not making any progress on this. I don't understand it.

Chair Postman: We are making progress and again, I want to protect Board members from hearing something that they shouldn't hear. We are making progress. I've reported that to you numerous times. There is an investigation going on. There is legal review going on. We have chemists looking at this. We have all the tools that this agency has to call upon looking at this question. It is a priority for this agency right now. And when the staff has a clear position on what they think that policy should be, they will share it not just with you but with everybody, including our licensees, if there's something that they need to be informed of. And they'll do it in as timely a manner as possible. But it's not our place to short circuit that process and have them tell us today what they will decide after looking at it. They are working hard on it. And I've got confidence that we're going to see something soon on that.

Member Hauge: What my question is, since I'm in a Board member, do I have a role in developing this policy? Or am I just a consumer of what the staff puts together?

Member Garrett: So let me ask the question to see if I can bring some clarity to this. What I think I'm hearing is, there's things in process and there's things that are happening where there's an open case and it all goes together as one because whatever we come up with could lead to whatever needs to take place. And right now it's not that nothing is being done. It's not that no decisions are being made. But while there's something active that could eventually come before the Board, there's certain things that can't be or shouldn't be discussed with us at this time. Is that what I'm hearing?

Chair Postman: That's absolutely right. The Administrative Procedures Act makes that very clear. It's the same principle that is at play when we tell members of the public that they can't address any open case before the Board when they come during public comment. And I think that this is complicated, Member Hauge, by the fact that this is not just a policy discussion. We know there is an investigation underway. So there are certain things that should not be talked about publicly as that investigation is underway. But of course, the Board always has a role to play in policy. It does not mean that the Board always - and you've got many more years on the Board than I do - but my understanding is the Board is not in the position of making a policy call prior to an enforcement action. If there needs to be policy development, there will be, and we have that right and responsibility to do so. But I don't want to do it if it's going to mean jeopardizing an ongoing investigation. We should let that play its course.

Member Hauge: Okay, for the record, I am not at all interested in any ongoing investigation. I do not know who the subject of the investigation is, how many people are subject the investigation, or what they may be being investigated for. My concern is in approaching this issue, are we taking a position where we are looking to accommodate or are we looking to interdict or somewhere in between? And I'm apparently not going to get the answer, so I'm not going to ask the question again. Thank you.

Chair Postman: Well, I'll just ask the question of you then, which is, do you not see that answering that question today could in fact impact an ongoing investigation?

Member Hauge: Well, in my previous life, I worked with a lot of pending investigations. And yes, we were working with the statutes of the state of Washington, primarily. But the issue that I'm asking about, an issue I asked in my previous role, when I was supervising a lot of investigations, is not so much what we're uncovering about a particular wrongdoer or a person we've identified as a person of interest, but how are we approaching it? Are we attempting to enforce some statutes? Are we looking at the rules? Are we looking at it as if our hands are tied? Are we looking at it as if we need legislative assistance? Are we looking at it as if we need more rulemaking? Or is there something we can do now to address the issue before us, which is, as was said in the meeting yesterday, eight to ten percent of the current needs for delta-9 oil are being met with cannabis derived from CBD from hemp.

Chair Postman: That has been answered multiple times. This agency is not waiting for legislative action. This agency is not waiting for rulemaking. We have various avenues available to us. Every one of them is being reviewed and looked at in our ability to address the issue before us.

Now, if we were to say, "well, here's what we're doing -- we think we should", as you say, "have a hands off approach", then I guess that might tip our hand to somebody. If we say we think it's a clear violation and we're going to act, well that might impact that investigation as well. But if your question really is, what are we doing? What is the timeline? That's been answered. We do not need to wait for rulemaking. We have other abilities to -- I think that should be made abundantly clear when we say we have an open investigation. If we did not have any tools in front of us and we had to wait for legislative action, we could not conduct an investigation. So, we're conducting an investigation. And when staff feels it's at the right position, they will let us know. And we will protect our ability to act on this and not be conflicted out of sitting as the final judges if or when a case comes to us for final adjudication.

Mr. Garza: That's why, Russ, I'm reluctant to say anything to your question. It's not that I'm trying to be flippant, I'm just saying we can't discuss the particulars. All I can say is that we continue to progress through this process and the legal analysis that was provided is very helpful. And so, as I said, we'll continue to work through the investigation.

Chair Postman: Okay, did you have anything more, Rick, in your report?

Mr. Garza: No.

Chair Postman: Okay. We're to the point for additional team updates. I do know that enforcement director Chandra Brady has an update for us with a slide presentation. So, Director Brady, welcome.

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## **ADDITIONAL TEAM UPDATES**

Chandra Brady: Thank you. Thanks for having me, Board members and Board Chair.

*Ms. Brady shared [PRESENTATION 1](#).*

Ms. Brady: I see that Ollie has a question.

Member Garrett: My question is on slide 12. Going to formal hearing from informal. So are you saying out of four, only one resulted in going on to a formal hearing?

Me. Brady: Yes, ma'am.

Member Garrett: And then the other three, does that mean whatever happened was corrected or what does that mean the three that didn't go on?

Ms. Brady: That means that they resolved it without going to formal hearings. We agreed with the industry on a resolution.

Member Garrett: Thank you. That was my question.

Chair Postman: I have a question for one of the first slides. I think it was slide two. When you were talking about educational contacts, and maybe it's broken down and I didn't see it, between law enforcement officers and compliance consultants. Do both of them do educational contacts?

Ms. Brady: Yes, they're both out there doing it. If that's a differentiation you'd be interested in seeing I can certainly break that down in the future.

Chair Postman: No, I was just curious. Wanted to make sure that I just understood that right. So they all have the ability to do that and do that as part of their normal course of business, whether they're an LEO or a compliance consultant.

Ms. Brady: It's everybody.

Chair Postman: Any other questions for Enforcement? Seeing none, thank you Chandra, we appreciate it. And then I don't have any other teams on the agenda for updates. I don't know if director Garza has anybody he wants to call on or knows of. I'll give you a moment here to see. If not, maybe we have another question.

Mr. Garza: I don't think so, Mr. Chairman, I think we've got the directors here that wanted to report out.

Chair Postman: Okay, great. Any last Board question there? Seeing none, thanks to the staff for the presentations today. Much appreciated. And we will see you all soon. This Executive Management Team meeting is adjourned. Thanks.

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Meeting adjourned at 2:36pm.

Minutes approved this 11<sup>th</sup> day of August, 2021



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David Postman  
Board Chair



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Ollie Garrett  
Board Member



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Russ Hauge  
Board Member

Minutes Prepared by: Dustin Dickson, Executive Assistant