



Board Caucus Meeting

Tuesday, August 3, 2021, 10:00am

This meeting was held via web conference

Meeting Minutes

CAUCUS ATTENDEES

Chair David Postman
Member Ollie Garrett
Member Russ Hauge
Dustin Dickson, Executive Assistant

GUESTS

Anita Bingham, Acting Director of Human Resources
Kathy Hoffman, Policy and Rules Manager
Audrey Vasek, Policy and Rules Coordinator

EXECUTIVE SESSION

At 10:01am Chair Postman announced the Board would be going into Executive Session. He anticipated the Executive Session would conclude at 10:45am.

At 10:35am Chair Postman announced the Executive Session had concluded and that the Board would be at ease until 10:45am.

At 10:45am Chair Postman brought the meeting back to order.

APPROVAL OF MEETING MINUTES

MOTION: Member Hauge moved to approve the July 20, 2021, Board caucus minutes and the July 22, 2021 Special Board Caucus minutes.

SECOND: Member Garrett seconded.

ACTION: Chair Postman approved the motion.

SHOALWATER BAY TRIBE MARIJUANA COMPACT REVIEW

Jim Morgan: Good morning. I'm filling today in for Chris Thompson who is on extended leave.

The Shoalwater Bay Marijuana Compact has been completed and signed by the Tribe. As these Compacts have gone, it's pretty unremarkable as far as issues or contentious – there really wasn't anything noteworthy about it except for the fact that it has taken a very long time.

The initial outreach by the Tribe to begin the compacting process was initiated in November of 2017. And, as I said, there weren't any big issues but there was a lot of turnover on the Tribe's part, on our part, and

if you count me as the “pinch-hitting Tribal Liaison” I’m the fourth one who’s worked on this Compact (for the LCB).

The important thing is that we all stuck with it and it is ready to go. The Tribe signed it last week and they are looking forward to joining you tomorrow at the Board meeting.

Chair Postman: That’s great. Member Hauge, anything as our Tribal lead to add?

Member Hauge: No, Jim listed the history accurately. In this particular instance there were other issues of delay, as you know we aren’t the only agency to speak on appropriateness of a Compact. Chris did yeoman’s service breaking some log jams in other agencies and I really appreciate the Shoalwater Bay Tribe’s patience in this. As Jim said, this is not something that was delayed because of some legal issues or some novel theories put forward, this was just the two parties working together and we finally got it done.

Chair Postman: That’s great. I’m glad you all stuck to it. Anything else on this today, Jim? This us up for approval tomorrow, right?

Mr. Morgan: Yes, it is. I’ll see you tomorrow.

Chair Postman: Thank you. We will now do our prep for tomorrow’s Board meeting and get rulemaking updates and a few corrections from our team. I’ll ask Kathy Hoffman, the Policy and Rules Manager walk us through this.

BOARD MEETING PREP, RULEMAKING UPDATES AND CORRECTIONS

Kathy provided a brief cannabis related rulemaking update, including:

- Quality Control Rules
 - Continuing to work with ORIA (Office for Regulatory Innovation and Assistance) on finalizing the contract with the economist
 - Internal review continues
 - Draft conceptual rules should be ready by the end of the month or early September
- Cannabis Licensing Background Checks
 - Public hearing scheduled for August 18, 2021
 - No written comments received to date
- Evaluating Tetrahydrocannabinol (THC) Compounds
 - CR 101 files on July 7, 2021
 - Received a couple comments
 - Draft conceptual rules should be ready to share towards the middle of August
 - “Listen and learn” tentatively scheduled for late August or early September

Kathy asked if there were any questions regarding the cannabis rules. There were none.

Audrey provided a brief alcohol related rulemaking update, including:

- Implementation of 2021 Legislation – Engrossed Second Substitute House Bill 1480 Related to COVID-19 Allowances
 - “Listen and learn” for alcohol to-go endorsements scheduled for Thursday, August 5, 2021 from 1:00 - 4:00pm

- Internal workgroup still drafting rules for outdoor service areas
 - Conceptual draft rules should be ready by the end of the month
 - “Listen and learn” tentatively scheduled for late August
- CR 102 tentatively scheduled for late September
- Summary Suspensions and Stay Provisions
 - Withdrawal of CR 101 scheduled for tomorrow’s Board meeting
 - 65 comments had been received in opposition
 - Statewide reopening and expiration of emergency rules provide that further rulemaking is not necessary
- Alternating Proprietorships for Distilleries and Craft Distilleries
 - Withdrawal of CR 101 scheduled for tomorrow’s Board meeting
 - CR 101 approved on November 13, 2019
 - Board Interim Policy (BIP) also adopted November 13, 2019
 - No applications have been received for an alternating proprietorship arrangement
 - Agency staff does not believe further rules are necessary as the BIP is in place

Audrey asked if there were any questions. Russ asked for clarification on how the agency would respond if someone applied for an alternating proprietorship if the CR 101 is withdrawn. Audrey informed the BIP would remain in place and provide the proper guidance.

Chair Postman: Kathy, are you going to take us through the rules corrections?

Kathy Hoffman: Thanks again. I’ll do the correction concerning the Board adoption document regarding THC compounds. I brought that to you on July 7 and after it was signed we realized that the effective date in the table had not been updated and it referenced a November 12 effective date when I had listed the CR 103 for November 24.

The document before you today makes only the change of an appropriate effective date consistent with when we would bring a CR 103 to you, so, November 24, and the rules would be effective on December 25. That is the only change I’m bringing to you today with this particular document, and offer our apologies for that.

Chair Postman: So this was essentially a typo that created an effective date prior to when we’re going to complete rulemaking and we’re only changing that one number, correct?

Ms. Hoffman: Absolutely correct.

Chair Postman: You consulted with counsel on it? This is the right way to make the correction?

Ms. Hoffman: Yes, I did.

Chair Postman: If there are no questions I’ll take a motion to approve the correction to the CR 101 for evaluating THC compounds.

MOTION: Member Garrett moved to approve the correction.

SECOND: Member Hauge seconded.

ACTION: Chair Postman approved the motion.

Chair Postman: Thank you. And Dustin will take us through the next one. Dustin, please.

Dustin Dickson: Thank you. Good morning Chair Postman and Members Garrett and Hauge. In also going through some of the July 7 Board meeting materials I also noticed error. It was a scrivener's error; it is not substantial or have any bearing to the approval that Mr. Kildahl brought forward for the CR 102 for criminal history background checks. His presentation cited WAC 314-55-040, all the documents cite 314-55-040, however on the agenda for the Board meeting there was a typographical error that listed the WAC as 315-55-040. And so, when we made the motion, the motion was to approve the CR 102 for 315-55-040. This doesn't change anything on the timeline. It doesn't change any of the context of the rules as presented. In consulting with our counsel this is non-substantive and so we don't need a motion for the change, just acknowledgement that the minutes that are up for consideration for that meeting will be listed as 315-55-040 with a correction to 314-55-040 noted in the approval for recordkeeping purposes, because if you listen to the recording it was said out loud "315" even though everything references 314.

Chair Postman: Duly noted. Thank you.

BOARD MEMBER AND EXECUTIVE ASSISTANT REPORTS

There were no additional reports.

Meeting adjourned at 11:00am.

Minutes approved this 17th day of August, 2021.



David Postman
Board Chair



Ollie Garrett
Board Member



Russ Hauge
Board Member

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