



## **Board Caucus Meeting**

Tuesday, September 14, 2021, 10:05am  
This meeting was held via web conference

### **Meeting Minutes**

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#### **CAUCUS ATTENDEES**

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

#### **GUESTS**

Nicola Reid, Compliance and Adjudications Manager  
Kathy Hoffman, Policy and Rules Manager  
Audrey Vasek, Policy and Rules Coordinator  
Jeff Kildahl, Policy and Rules Coordinator  
Robert DeSpain, Policy and Rules Coordinator

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At 10:05am Chair Postman announced the Board would go at ease while working through technical difficulties.

At 10:09am Chair Postman brought the meeting back to order.

Chair Postman announced two amendments to the agenda. The first was the addition of Nicola Reid presenting a Delegation of Authority document correction. The second was that Director Rick Garza would not be providing comments.

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#### **DELEGATION OF AUTHORITY CORRECTION**

Nicola reviewed a minor change to a liquor Delegation of Authority document which was last amended in March of 2021. She pointed out that "marijuana" was inadvertently referenced instead of "liquor" in one item on the last page of the document. She added that "her" was changed to "their" in reference to the position of Licensing Director. She affirmed that the remainder of the document remained the same as adopted in March.

**MOTION:** Member Garrett moved to adopt the revisions to the Delegation of Authority as described.

**SECOND:** Chair Postman seconded.

**ACTION:** Chair Postman approved the motion.

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## **POLICY AND RULES STAFFING UPDATE – NEW EMPLOYEE: ROBERT DESPAIN**

Kathy introduced Robert DeSpain as the Policy and Rules Coordinator that will be providing assistance while Audrey is out on leave this fall. Robert gave a brief personal background, including an Undergraduate Degree from Stanford, a Juris Doctorate from UCLA School of Law, passing the Washington State Bar Exam and earning a Specialized Degree in Health and Disability Law from the University of Washington.

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## **BOARD MEETING PREP AND RULES UPDATE**

Kathy provided an update on general rules, beginning with a brief background on why Board Interim Policies and why some can or should be rescinded. She informed that some had expired, some had been turned into rule and some needed to be converted to policy statements. Kathy projected there were about 15 BIPs that needed to be rescinded and several others that would be converted to policy statements in the future. She reviewed five for consideration of rescission at tomorrow's Board meeting:

- 02-2016 Concerning UBI Labeling on Marijuana Products
  - Put into rule January of 2019
- 01-2017 Concerning Sales of Immature Plants/Clones and Seeds
  - Put into rule October of 2018
- 01-2018 Concerning Spirits, Beer and Wine Restaurant Food Service Requirements
  - Put into rule June of 2018
- 15-2019 Concerning the Return of Flavored Marijuana Vapor Products by Retailers to Processors in Exchange for Credit
  - Expired in December of 2019, no longer needed
- 17-2019 Concerning Implementation of WAC 314-55-105 Regarding Marijuana Packaging and Labeling Rules, and WAC 314-55-077(8) and (9)
  - Expired in January of 2021, no longer needed

Chair Postman: What is the rule today for labeling change? Do we give any grace period for reducing inventory?

Ms. Hoffman: There was a year-long period for people to sell down their products. I don't believe there was anything after that, that was the time deemed reasonable by licensees and others.

Chair Postman: I see. This was a one-time grace period because we were changing rules, not in anticipation of any other change that could come from labeling.

Ms. Hoffman: Correct.

Chair Postman: Ok. Got it. Thank you.

The only other thing I'd say, and maybe this is worthy of comment tomorrow at the Board meeting when we talk about the different reasons why these BIPs become obsolete – in this case it's now duplicative – we're trying to also move these into a more formal process. The BIP is a different process than what you go through, obviously, for rulemaking and things of that sort. We obviously have a big effort going on to look at all of those BIPs and the track records and history, etc. Do I have that right?

Ms. Hoffman: You do. And there are various instances that would suggest that we withdraw a BIP. Sometimes we provide a policy as sort of a way to accommodate licensees, to help during a time of crisis

like the EVALI outbreak where we had concerns about flavored vapor products and being able to sell the back or return for credit to a processor. And, sometimes we'll issue a policy because there's been some other proclamation, or if we need to find a legal pathway for something to happen like in the case of the clones and seeds, until we can put something in to rule. So, there's a variety of reasons for these.

Chair Postman: And, it's a much quicker process, obviously, than rule, but it does have the word "interim" in it, and so that's what I found compelling was that these were never meant to be long-standing permanent rules of the agency. Thank you, Kathy.

Kathy thanked David and moved the conversation to a brief update on THC compound rulemaking, including:

- "Listen and Learn" session on September 9, 2021
  - 80+ attendees
  - Feedback being considered
  - CR 102 should be ready for consideration on October 13, 2021
  - Public hearing tentatively scheduled for November 24, 2021
  - CR 103 tentatively scheduled for December 8, 2021

Kathy asked if there were any questions. There were none.

Jeff gave a brief update on cannabis related rulemaking, including:

- Quality Control
  - Work continues with the economists from Industrial Economics Inc.
  - Seeking interview participants for producer and processor interviews
    - 35 applicants received, interviews have begun
  - Next week will distribute a survey to producers and processors
  - "Listen and learn" tentatively scheduled for October 15, 2021
  - CR 102 tentatively scheduled for December 8, 2021

Jeff asked if there were any questions. There were none.

Audrey provided a brief update on alcohol related rulemaking, including:

- Implementation of 2021 Legislation – HB 1480 Related to COVID-19 Alcohol Allowances
  - "Listen and learn" held on September 2 on the portion of the conceptual draft rules related to outdoor alcohol service areas and food service menu requirements
    - 55 attendees
    - Recordings available online
  - Internal rule drafting team reviewing comments
  - Sent a request to licensees asking for interview volunteers to provide feedback to help estimate cost of compliance
    - Interviews begin next week
  - CR 102 tentatively scheduled for September 29
  - Public hearing tentatively scheduled for November 10
- Axe Throwing at Liquor Licenses Premises
  - Internal kick-off meeting last week to determine scope and potential timeline
  - Draft CR 101 being reviewed by internal team
    - Tentatively scheduled for consideration on September 29

Chair Postman: One question on the axe throwing 101 at the next Board meeting, I assume between now and then you'll reach out and walk us through this? I'm curious what it looks like.

Ms. Vasek: Absolutely.

Chair Postman: Good. I have another question for Kathy – in general – I don't keep track of all of the dates from week to week that we get on these updates. If something moves, like one of these dates where we're going to have a 101 done, if that is moved in between these updates do you tell us that?

Kathy Hoffman: Absolutely, and that is one of the really important parts about these rules updates to the Board in open Caucus like this, even though we do reach out to you individually, we do like to share that information so you can hear it as a group, because there are multiple reasons where we might – in the instance of THC compounds where we got additional information from stakeholders during the "listen and learn" – we know in our minds that we wanted to move that CR 102 forward on September 29, but now it looks like October 3.

Chair Postman: That's clear, I understand. I guess if something moved a couple days from one meeting to another I might not have remembered. If movement gets flagged for us that would be appreciated.

Kathy Hoffman: Of course.

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Meeting adjourned at 10:31am.

Minutes approved this 28<sup>th</sup> day of September, 2021.



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David Postman  
Board Chair



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Ollie Garrett  
Board Member

*Not Present*

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Russ Hauge  
Board Member

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