



## Board Caucus Meeting

Tuesday, November 30, 2021, 10:00am

This meeting was held via web conference

## Meeting Minutes

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### CAUCUS ATTENDEES

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

### GUESTS

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### BOARD MEMBER AND EXECUTIVE ASSISTANT REPORTS

Chair Postman: We have a short agenda today but I thought we could talk about some of these Councils. Recall that tomorrow, we will meet with the Alcohol Advisory Council from 1:30 to 3:30pm. Hopefully everyone will be able to be there as we have several staff presentations. I know that Becky's going to spend some time talking about the work that's being done on the ongoing allowances out of, I think it was that House Bill 1480, and talk about that a little bit. There will be an SMP (systems modernization project) update from Jim and a few other topics. Hopefully we'll also hear from Council members. I had asked them when we called the meeting just to think about "what do they see for the future of the council". I know it hasn't always met regularly. I've met with them just that one time right after I started. So, I'm hoping people will come with either ideas, or at least opinions on how useful it's been and what they'd like to see in the future. Hopefully you both will be able to be there and can help stir that conversation a little. I just want these to be useful for us, but for the members of this Council who are taking some time.

We've had little discussions about the other Councils, too. I think the other big question is around the Cannabis Council. I think with the Tribal one, there's a lot of other avenues of conversation that go on. So, it's not as if that Council doesn't work. And Tribes are not a monolith and all that. But, I guess I'd be curious if you think there's value in trying again to reconstitute or kick-start or something?

Member Hauge: I can't remember Brett's last name. He left the agency, I think just before you came on board, David. But he and I worked together. He was in the Director's Office and he was staff, primarily responsible for Tribal relations. He worked really hard. When we went out to new Tribes who were interested in compacting, he went with me and was very familiar with the process, and helped developed a lot of good relations.

He and I worked on this issue quite a lot. And what we came up with is, in summary, that, first off, the name of the group, Tribal Advisory Council was a misnomer. I mean, "who's advising who"; we're separate sovereigns. It just created a little awkwardness at the outset. He and I put together an idea or a plan -- I think you've maybe seen the memo -- to recast the group in more of a collaborative sense, with

both the Tribes and us having equal authority -- or authority is probably a poor term -- but having the right to call meetings and set agendas. In other words, it's not us telling the Tribes what we want them to know, it's "how do we share"? And we ran that by members of several Tribes and spent a lot of time with the Puyallup Tribe. At that time, their Chair was in a position of authority in one of the larger Tribal groups -- I'm working from memory so I'm sorry -- and received a lot of support for the general idea of recasting the group in that form. But with COVID and everything else we lost a little momentum there.

But, I guess in summary, I think that the notion of a Tribal Advisory Council is not really that useful in the current situation and that what we really need is outreach to the Tribes. And we need to impress upon them our willingness to listen to their concerns and try to reach an accommodation. I think there's a lot of room particularly in the cannabis space for innovation, particularly with the Tribes, given that they are separate sovereigns. There are things that perhaps we could try with the tribes that we can't try with non-tribal license holders. And I think that's a big opportunity that we really have to pursue because, well, again, it's a place where we're going to learn things.

And so, I would not advocate trying to restart or kick-start or redo the Tribal Advisory Council. We need to continue the dialogue that we started before COVID hit. Chris has been very good working with the Tribes, but he's got a lot on his plate, an enormous amount, particularly now with legislative session. So there's a lot of work to do. I think it's a fertile field. And the opportunities for partnership are exciting. We have to work harder, though, to create a vehicle for us to share with the Tribes.

Chair Postman: I agree. It doesn't sound like it's worth reconstituting that entity itself. But I guess the question is, how do we have those conversations to create those opportunities? Every Tribe, of course, has the right to have a Government-to-Government consultation with us. That's almost more when things get loggerheads and not as much in a creative brainstorming way. So I think that's the question is, how do we set that environment so we have that kind of conversation?

Member Hauge: And that's really it. I mean, the times that I've been, again, before COVID, I was much more involved in a hands on way with Tribal affairs. And where we really, I think, got into some exciting possibilities was in one on ones, where, for example, the Squaxin Tribe. They've been really committed to their efforts to grow and to process and to sell. And, again, there are opportunities, I think. We're looking at a small enclosed system like that where we could perhaps, because it's not our job, we don't really have a lot of control, we could collaborate in maybe pushing the envelope a little bit here and there, if we have a willing partner with the Tribal government. We've got ground to break on things like social consumption. We've got ground to break on things like -- how are we going to control well, primarily, the social aspect is what I'm --

Chair Postman: Direct sales from growers?

Member Hauge: Exactly. There are lots of innovations that we could try on for size if a Tribe was willing to collaborate with us. I think there's just lots of possibilities, lots of possibilities.

Chair Postman: Good. We should do that more. And I've heard a little from Tribes with some ideas like that, but you're totally right. We have to work to figure out how to just stimulate that conversation more. And maybe just having this conversation and letting people know that there is that possibility of innovation and as you say, pushing the envelope a little bit, now a Tribe can do what they want within their own lands. But if they wanted to work with us on figuring out what are best practices and things like that, I think that could be a rich ground. And we have a little that going on. Ollie, what about the Cannabis Advisory Council (CAC)? We've talked about it and I know a lot of those folks are engaged in the equity

conversation. I've only met with them the one time. Do you get you hear from people on that Council? Do they want to be meeting? Should we do something? Is there a way to reshape that so it is more kind of general industry concern?

Member Garrett: I was just going to say my goal is to reshape it. A lot of the folks that were a part of the Committee are no longer there. And there are new folks in their groups. I wanted us to get passed a few things because the Social Equity conversations in the Task Force (SECTF), it's been a lot of meetings, and they're all three to four hour meetings. So, I didn't want to have a meeting between those meetings, because a lot of the same folks are on those meetings.

The last two SECTF meetings for the year got cancelled. We don't have -- I don't know for sure what the recommendations are that will come back to the LCB. But my goal was to start those CAC meetings up next year and to revamp the committee, but also then have discussions around the recommendations and different things that was given to us, what we can do, what we cannot do and those types of conversations to keep the community abreast on progress and things that we're doing. But I don't see anything happening probably until maybe late first quarter. But I do want to reshape it.

Chair Postman: Okay. What I would like to have that opportunity when we do start those up whenever it is, just to hear from people that are actually doing the business out there that we're regulating. I mean, that the store operator, the processor, the grower. And that's always really helpful to me. I think it's different than when people appeared before the Board at a Board meeting or when you sit and meet with the association. It's just a different vibe. We do those too, of course, but there's something about being able to develop those relationships with the people where the rubber meets the road and hearing from them directly.

Member Garrett: And the difference between the cannabis and alcohol is the advisory groups are based on organizations that represent the groups in the cannabis industry, you don't have the same number of organizations that you have in alcohol. So that's what Dustin and I have been brainstorming on. I want to reshape it and what would that look like when you have an industry that probably only have three solid organizations.

Chair Postman: Right. And probably a lot of people out there who are in the business who aren't active in any of those organizations. And to the same thing Russ was just talking about with the Tribes, how do we set that up where people have that opportunity to share innovative ideas and things of that sort? We need to get to that level of a conversation with licensees, I think, where they feel like they can come to us more directly like that. And it's just conversation. These advisory councils are not groups that make decisions, but we should be able to have those conversations.

Member Garrett: And one of the things that I was thinking about that it might be, which is how we do the SECTF, is to have a segment on the agenda that's for open comments. Since things are virtual, we could open for comments during the Cannabis Advisory meeting, , but then we didn't want to get into picking individuals to be on the committee, because then the question becomes, "how did that person get picked? How did that person get picked?" And that was the reason we were sticking with the organizations having representation on the CAC, so that's what I've got to sort out.

Chair Postman: I agree and frankly, it's a more mature industry now. There are organizations that are out there doing these things. And you're right, it's largely three that we hear from. But it'd be worth stirring that up a little and seeing what we could find. Can I ask you about the equity recommendations since you

brought that up? Should we be concerned that they canceled those last two meetings for the year? Does that mean you're all having a hard time settling?

Member Garrett: Well, we just get the email that they were being canceled. I'm on the licensing group and I know that we hadn't really voted things out of our group yet. And that meeting was cancelled. But in the email, they said that they were continuing to meet with the chairs of the committee. And in the last meeting that we had when they were coming up with the scoring and everything, we were kind of taken aback on what the recommendations were. And we're having a meeting I think this week with our Attorneys General just to see some of the things that are being voted on. Are we going to be able to do anything with those recommendations? And one of the things that I kept putting emphasis on and I still put emphasis on is, there's some things that LCB can do. But there are things that we can't do. And I don't want it to seem like we are giving recommendations and the LCB is saying no and not accepting the recommendations. Because then it looks like we are against things when you're putting together recommendations that we are not able to do as an agency without going out to the legislators or whatever those things are.

Chair Postman: Where we don't have the legal authority and even the legislature would have some question about whether they could do these things so, I'm glad to hear you say that. That's been a question I've had too along here. We want to do this work. We've been doing what we can on the criminal backgrounds and other pieces, and you've really helped lead us through all of that. And we're going to keep doing all that. But if we have things in the recommendations that the AG's office is telling us we can't do, how do you communicate that in a way?

Member Garrett: And we were kind of hoping that -- because as you know, the LCB, we've created our own internal task force. And we are excited and waiting and ready to be able to get licenses out to folks under the Social Equity Program. So we were excited and hoping to get great recommendations to where we were able to do it and able to start the process. We were looking forward to being able to because we have licenses that we're holding that was geared toward the social equity program. We were hoping to get recommendations and to actually be one of the first to put a program together that showed licenses we're actually going out. As you know, with the other states, everybody's trying to figure it out. But they're all coming up with programs that's getting tied up in court. And we were hoping that we had a program that we could show that we were actually issuing licenses under the social equity program, not being tied up in court, because of what we put together like all of the other states. That was our hope. And so we will see what our AAG says. We will try to do everything we can legally will the recommendations that have been given to us and not just automatically look at them and say, no, we can't do this. We will look at every avenue before we go back to what we can do and cannot do. And I'm sure a lot of it will be coming to the Board. We will have the discussions. But I was hoping that we were going to be able to start issuing licenses under the Social Equity Program sooner than later. So, I don't know what that's going to look like now.

Chair Postman: Go ahead, Russ.

Member Hauge: In the course of the social equity discussions, has there been any fleshing out of the need or the capacity of larger urban jurisdictions like Seattle to absorb more licenses if we wanted to create them? Has there been that kind of analysis?

Member Garrett: Yes, and Seattle would like more licenses. And the Association of Washington cities, they're a part of that. And they've done a survey to others to see who wants more. All of those things have been going on at the same time and they are part of the group. The issue is just because they want more,

doesn't mean that -- based on their locations. Are you going to run into permitting issues? We don't want to open up something to where now they've got a license but they can't open up and things like that. So, it's a lot to sort through. Part of the recommendations, they talked about lifting some of the requirements we have. But even in doing that, does it open up more?

Chair Postman: When you talk about those requirements -- like the buffer from a store to a school?

Member Garrett: Correct.

Chair Postman: Where is that in the conversation? Is that in a recommendation yet or has that just been discussed?

Member Garrett: I think it was in one of the recommendations. Some of those, not the ones for the schools, but there were other things that was in there. And then I think in part of the conversation, the certain cities have already done that, anyway. They have the authority to do that.

Chair Postman: This was right when I started, in March maybe, even that soon, Licensing came to us and had done a pretty comprehensive survey about moratoria and things of that sort around the state and had asked local officials what their view and position was. And one of the things and I was trying to find it, but it's in the archive and can't find things that quickly. But what I recall was a conversation, about city councils, of course, had turned over since these bands and zoning things were put in place. So today, with cannabis more accepted in these communities, there could be an openness to doing more. And we're finding a need to really update. And so I think that's one of the hopes I have here is just that whatever those recommendations are, that a lot of these cities that have tight restrictions or bans are willing to -- it's not our place to say they should do it, but let's look at it again.

Member Garrett: Right. And they are reaching out to all of them. There's communication going on with all of them. And doing the whole process, Licensing has been part of the conversations and on the calls. And every chance that we're having a conversation around something that I know that we can help folks understand that the LCB has already done this work. We already know the answer to this. I was able to have it to where Becky could come on to any of those conversations and educate folks on the Task Force of what they were discussing, where in the beginning, it was a lot of discussion going on and I wasn't able to answer. Then I would have to go back and turn around and say, "is this true? Is that true? Or can we do this? Or can we do that?" And I felt like we were losing something not having those answers in real time. So, I was able to get it to where someone from license can always be on as a panelist to be available to where when questions come out that they know that the discussion is wrong. Or somebody will say something like "the LCB's got 500 dormant licenses", she was able to correct those things in real time. That really made a difference.

Chair Postman: I think the Chair, Chair Morgan, has done a good job opening that conversation up as much as possible. And I've talked to her a couple of times about this. It's not my zone. I don't go to those meetings, obviously, or anything of that sort. But I've appreciated what I've heard. But I share your concerns, those recommendations, which is, let's just be clear. Delivering the recommendations isn't going to be the end of that process. We have to work the system, whether that's the legislature. There could be legal challenges. We need to make sure that we're in a safe place to do those things and push it. But we are committed to doing the work. I think that from what I hear in the agency, and I'm glad you pointed out the work of Licensing and Becky. People just aren't willing, they're eager to do this.

Member Garrett: Well, that's the reason I get frustrated with some of the conversation. Because I know we are eager to do this and to do it.

Chair Postman: I've not heard anybody in my months here to say anything other than "let's do it". Let's do it right, but let's get going. From the Director on down. Well, again, I'm just glad you're there and bringing along agency staff too. And so it's starting to get more integrated into our agency too, which I think is important. We'll see. Alright, well, that was helpful. Anything from either view you want to raise or discussed today? Russ, go ahead.

Member Hauge: I have in my hands a copy of the newly issued, first in the country, cannabis law desk book published by the Attorney General Alliance through Thomson, Reuters. Bruce Turcott is one of the managing editors. And I have his assurance that he will sign my copy. And I want to put him on notice officially that I'm going to be asking for that. Our own Kathy Hoffman also was responsible for several chapters and I'm going to get her signature as well. As a former practicing small town lawyer, I've got to tell you, this kind of thing is huge. This is going to be on everybody's desk. It should be. And I just can't give Bruce and the rest of the AGs here enough props for taking the time to put this together while we're creating this market.

Chair Postman: That's great. I think we all ordered one. I haven't seen mine yet. So I'm glad they're out there. But I look forward to that. It seems like an incredibly impressive piece of work at any time. But like you said, to do this while we're building the plane, so to speak. And Kathy, of course, did her chapters, in addition to her job and getting a PhD. So it's quite an impressive group of people on there. I look forward to that. And it'll be available -- I think there's going to be an online version of it too. And I bet it just gets a lot of access from people around the country who are trying to learn what we've learned and the other states that are involved in this, too. But yes, Bruce obviously played a leading role in this. It's pretty impressive. I hope there won't be a test on the book, though.

Member Hauge: What this shows, and as you can see, it's going to be updated regularly, this gives the daily practitioner, the guy who was sitting in his office and somebody comes in and says, "I got a problem in the cannabis space". This is the best attempt to slow down that moving target. Keep a handy desk reference right there so you know what you're talking about when somebody has trouble in the system. It's really an accomplishment.

Chair Postman: Yeah, that's great. Good. I'm glad you brought that up. Anything else? Ollie?

Member Garrett: Next Tuesday, I won't be available for the Board Caucus. I have a community meeting with the Governor from 9:30 to 10:30 next Tuesday,

Chair Postman: Well, I guess he takes precedence. Okay.

Member Garrett: I tried to tell him, "it's my LCB day, Governor".

Chair Postman: No, that's good. I'm glad you're engaged on that side too. We do need to figure out around the next holiday week. I know Dustin's going to reach out to staff too about agendas for caucus and Board meetings the week leading into Christmas and see what's necessary there and what isn't. It makes it easier, I think, for all concerned staff and the public and everybody else if they don't have to necessarily come to a meeting, what would it be, December 22 or something. That's a quiet week generally. So we'll see. But if either of you have travel plans or time off or anything let Dustin know so we can figure this out.

Member Garrett: Yeah. And right now I am leaning towards, between Christmas and New Year's, taking that week off.

Chair Postman: Oh, okay. Maybe I'll do my days off that week too. And we can just unplug or something and make sure staff can do what they need to do. I think Dustin might be looking at the week before. We'll figure it out.

Well, that's the end of the agenda. Dustin, I'll just pause for a second see if there's any executive assistant report?

Dustin Dickson: Nothing additional for me. Thank you for bringing up the potential holiday time off considerations. So, Member Garrett and Member Hauge, I'll reach out to you later today or tomorrow and go over some of those plans and how the holidays fall on not regularly scheduled days and how we can kind of shift and trade those around. Between the three of us and Cindy, we'll get that taken care of here in the next few days.

Chair Postman: Good. Well, thank you for a good conversation. Appreciate everybody's time and the public who were able to attend, and we will adjourn the Board caucus for Tuesday, November 30, 2021.

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Meeting adjourned at 10:35a.

Minutes approved this 7<sup>th</sup> day of December, 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 to the Board