



Board Caucus Meeting

Tuesday, December 14, 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

APPROVAL OF MEETING MINUTES

MOTION: Member Hauge moved to approve the November 10, 2021, Executive Management Team meeting minutes.

SECOND: Chair Postman seconded.

ACTION: Chair Postman approved the motion.

MOTION: Member Hauge moved to approve the December 7, 2021, Board caucus minutes.

SECOND: Member Garrett seconded.

ACTION: Chair Postman approved the motion.

BOARD MEMBER AND EXECUTIVE ASSISTANT REPORTS

Chair Postman: I had a couple things I wanted to mention. One, just really quick – yesterday I did a ride along with Officer Percy Williams from our Cannabis Enforcement Team. We went to a producer/processor, a large grower and a retail store. It was the first time I've had a chance to do a ride along on the cannabis side.

First of all, kudos to Officer Williams. What a consummate professional. An Army Vet who chose to come to the LCB several years ago. Everywhere we went there were people – and I saw this on the alcohol ride along too, and you both have probably had this experience already – but, the licensees are glad when he walks in the door and they just load him with questions. They are really looking to get answers so they can comply. The officers are working hard to give them what they need, or tell them how to get it. And also, they are also interacting with the Cannabis Compliance Consultants, so the LCB is able to do a kind of team-approach to these things. It was just a one-day visit to the three licensees, but in these examples

it seems to be working well and people seem to be getting what they need in terms of guidance – not at all feeling like the agency is out to trap them.

One of the other things is that they are all – they had a little bit of struggle with the new traceability system, CCRS, but all were very understanding of where we are at. One licensee is using a third party integrator and basically said “they are taking care of it and it’ll all be okay”. They welcomed the change, I would say, and they are looking forward to getting to the maintenance level of it. I was really impressed.

The other thing that is interesting with the producer/processor that we visited – they have a Tier I and a Tier II license and a processing facility – they are expanding what they are doing. They told me business was really slow this time of year – shelves are bare and everybody slows down. But this one business was really looking to expand their operation – they are buying new equipment, incredibly high-tech both in the lab and in the packaging world.

It was really interesting, and always valuable to get out there and see things in real life. It’s the first time I’d actually seen a large grow, too. To go into one of those rooms and see 1,200-1,400 plants and see each one of them tagged, it was really something. I really enjoyed that. And again, kudos to Officer Williams and the work he does out there.

The other thing I wanted to talk about, and I think you both have talked to staff about this – there’s been a lot of conversation about the two legislative committees that oversee us, about a proposal that we’ve heard bits and pieces about, to re-make the Board of the LCB. And rather than just the three of us, it would expand it to add, I believe, two more voting members like us, and then three or four legislators as ex officio members, something along the lines of what our Gambling Commission does.

In one bit of editorial comment, I would say the effect of that – I don’t know the intent – but the effect of that is to dilute any power or authority the three of us have, and puts the legislature in a very hands-on role – which there really is no place for in state government that I know of because the Gambling Commission doesn’t meet twice a week like do. It doesn’t have the hands on management that we do.

So, we’ve been trying to get more information on this. The proposal comes from the Washington Cannabusiness Association (WACA). We’ve had staff reach out to their director to ask for details. The only thing we were given was those numbers of how many would be added.

We have heard from people in the Governor’s Office and legislators who have been contacted by WACA, and it was interesting – at first the reasoning we were told varied. The first thing I heard from somebody who talked to WACA was that we needed help – the three of us needed help – because of our open public meetings act. We don’t talk except when we’re in public meetings. We don’t talk about policy or procedures, or votes or anything, and adding people would allow Board members to have conversations outside of the public meeting. Let me add an editorial comment – we don’t need that. We do our business in public and it seems to work really well. I think the three of us will agree, there’s times where it’s frustrating or awkward, but it’s what the law is and I think it serves us really well to just force these conversations out into public.

The other reason for it was to help us because our workload has grown much since cannabis was legalized that we needed help – well, the agency would love to have help I’m sure, in lots of ways, more Board members is not where I would prioritize that staffing need. I don’t think that the three of us are overworked in terms of workload, so I don’t really buy that.

Then another was, a key legislator told me that it was because our Enforcement regime still is too aggressive on the cannabis side and too many severe penalties. The facts show just the opposite – and I

wish I could bring up this graph so we all could look at it – when you look at the numbers that Director Brady shares with us at our Executive Management Team meetings, you can see where you – and you all did this before I got here – turned the direction around of the enforcement approach that we do and I think it's working really well. We're leaning on the side of education. So that reasoning doesn't really carry any weight with me.

So, I don't know what really is motivating this. I do know what the effect would be. Legislators we've talked to haven't seen anything in writing yet. We know that WACA is looking for sponsors of the legislation. We're trying to get conversations with legislators and answer any questions they might have. And then, my questions to them are always "what is the reason? Why are we doing this? What would be the benefit of it?"

Again, I think the best thing for us to do is just try an answer questions about it and have open conversation about it. I obviously don't think it's necessary and don't think it's motivated by a desire to help the three of us ease our workload.

I don't know if you have thoughts on that or have anything in addition. I've said, if anybody is trying to help us they haven't asked me how to do it, they haven't asked our Director how to do it, I don't know if either of you have heard anything from WACA asking what would be the best thing they could do to help us.

Member Garrett: You said exactly what I was going to say, David, so if anybody thinks we need help, nobody has asked that. So, I don't know where that would be coming from if no one has talked to us. I just heard about it the first time last week.

Chair Postman: Okay. Russ?

Member Hauge: My perception is that it seems like, perhaps the concern is that we are doing too much work. Again, nobody has asked me for what kind of help I need, or what kind of help the Board needs, or what kind of help Enforcement needs, or what kind of help the management team needs. What they've been talking about – what I've heard secondhand – is that some people want to change fundamentally how the market in Washington works. This is a step down that road, I believe. Change the way it works, so that we cut out the farmers, so that we can use delta-9 derived from hemp to supplant the hard work of the people that we granted licenses to as producers and processors. I think it's pretty transparent.

Chair Postman: Yes, I never want to address motive, but we're not getting the answers to the question of "why", and it is true that that debate has gone on for some time. And the association that is promoting the dilution of the Board's power is the one that is pushing for more of the converted product and things of that sort. And, that's a debate we will have, we are waiting for the final approval on our agency request legislation and I think that's already set to be a major debate and I think we're all happy to have that debate. I think the work that we have done in the agency to find the right path in that legislation was not easy, but I think we've found a really great spot to be – let's have that debate. I don't know that we really need to debate whether we need five Board members plus four legislators looking over our shoulder. When I talk to legislators, it's difficult. I don't want to say to them "we don't need you, we don't want you", that changes our dynamic. This is not that sort of Board. This is a work-a-day kind of Board. I wouldn't want to see it expanded to that, I'm not sure what we would do.

I would just ask that if either of you hear anything, let Rick know, he's keeping an eye on this. I'll do the same. Like I said, we'll keep having the conversation, and if there is a bill we'll go to the legislature during session and talk about our view of it as well and see what we can do.

That's my report, anything from anyone else?

Member Hauge: Over the last weekend, I think it was on Friday, I got a call from Director Brady informing that one of our Enforcement Officers had been involved in a collateral enforcement operation. He was on duty and apparently a witness to a carjacking attempt, or several carjacking attempts. His car, which was an unmarked government car, was attempted to be carjacked. The officer displayed remarkable professionalism and restraint, refraining from a violent intervention he activated his emergency equipment and scared the would-be carjacker off and followed with the relevant law enforcement agency in apprehending him. At least the story as I understand it.

I want to say two things. First off, I really appreciate Director Brady taking the time to call us, wanting us to know that this happened. And I can't say enough good things about the actions of the officer as described to me by Director Brady. I think that was an outstanding piece of professional police work, and I think all people involved and all enforcement agencies should be proud of that.

Chair Postman: Thank you for bringing that up. It was Officer Alex Everson. I actually was able to do a ride along with him early on. He's a great guy, super-quick thinking, and involved himself in that – what sounded like a really out of control situation. You know, these are police officers, and even though it wasn't an LCB thing it's what they do. Thanks again for bring that up, Russ. I know Director Brady is listening in and she should pass on all of our thanks to Alex for that quick work.

With that, we will adjourn. Do we have anything on the calendar next week, Dustin? I think not.

Dustin Dickson: Good morning, Chair. As far as public meetings go, we don't have anything on the docket until January 4, 2022. If anything comes up, we're all available. I'm off next week and Cindy is off the next, so we do have office coverage. Outside of that, you will review the litigation calendar this afternoon.

Chair Postman: Great, thank you. I will be in town if anybody needs me at any point. With that said, we'll see the public again after the first of the year. Happy New Year, have a great holiday. I hope Russ and Ollie also get some time with family.

Meeting adjourned at 10:22am.

Minutes approved this 4th day of January, 2022.



David Postman
Board Chair



Ollie Garrett
Board Member



Russ Hauge
Board Member

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