



## Washington State Liquor and Cannabis Board Meeting

Wednesday, January 5, 2022, 10:00am  
This Meeting was Convened Via Web Conference

### Meeting Minutes

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#### 1. CALL TO ORDER

Chair David Postman called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 am on Wednesday, January 5, 2022. Member Ollie Garrett and Member Russ Hauge were also present.

#### 2. APPROVAL OF MEETING MINUTES

MOTION: Member Garrett moved to approve the December 8, 2021, Board meeting minutes.

SECOND: Chair Postman seconded.

ACTION: Chair Postman approved the motion.

#### 3. RULEMAKING TIMELINES – ALL INDUSTRIES

Presenter – Kathy Hoffman, Policy and Rules Manager

Ms. Hoffman: Good morning, and happy new year to you, Chair Postman, Board Members Garrett, and Hauge.

I have a brief rulemaking update for today, starting with the alcohol rules. With our axe throwing rule project, conceptual draft rules have been completed for that project, and we do have a “listen and learn” session scheduled for January 27, from nine to noon. Messaging should go out on that next week. I just wanted to let you know, and I know I shared this yesterday, but once again, three comments were received on the CR 101 that we filed for that project. Formal comment period ended on November 19, but we continue to accept comments as they come.

With respect to general rulemaking, electronic service project is coming along nicely. We have had a couple of internal meetings on that, and expect to file the CR 101, or at least bring it to you for approval on February 2, with a CR 102 prepared as soon as March 15 on that project. It's very technical so we're not expecting a lot of controversy with putting that project forward.

On to cannabis rule projects, the quality control rule CR 102 was filed last month, December 8, the hearing will be held on February 2, and to my knowledge, and Jeff can jump in here if he wishes, if he's receiving further comments that state, I believe we've received about eight comments.

I will present the CR 103 on THC compounds following this presentation.

And then for social equity in cannabis rules, we are starting to work on draft conceptual rules for that work. We're thinking about stakeholder engagement options, hope to host a "listen and learn" session by the end of February. It's a very aggressive timeline, but we think we can do it, but we want to make sure that we're moving as quickly as possible on those fronts.

So that's sort of the end of the update for today, can I answer any questions for you?

Chair Postman: No, I don't see any, thank you. Why don't we move into the Board adoption of the 103, the presentation for the CR 103, for evaluating TCH compounds.

#### **4. CANNABIS RELATED RULEMAKING**

Presenter – Kathy Hoffman, Policy and Rules Manager

##### **ACTION ITEM 4A - Board Adoption of CR 103 for Evaluating Tetrahydrocannabinol (THC) Compounds**

Kathy Hoffman, Policy and Rules Manager, began the briefing with materials (HANDOUT 4A)

Ms. Hoffman: All right. So, requesting adoption of the rules offered in the CR 103 package before you concerning evaluation of TCH compounds.

I know we've discussed the procedural history of this project several times in the past, but in case meeting attendees aren't aware, we began this project in May of last year as a part of a larger iterative process designed [inaudible] THC compounds. We held two "deliberative dialogue" sessions last summer, focusing on plant chemistry, that help to inform the creation of these rules, and eventually request legislation – that's Senate Bill 5547 and its companion House bill 1668 concerning the expansion of LCB regulatory authority over compounds that may be impairing.

We had a "listen and learn" session on these rules in September, and the proposal was approved in October. A public hearing was held last month and two comments were received, and those were included with your packet. One substantive comment we received, it would have been a substantive comment had we accepted it, but it was asking us to change the word "may" to "must", in a particular section of rule and we did not accept that suggestion. The other comment was from a hemp retailer, he was expressing some of their concerns around THC compounds in general.

So, if adopted today, I will file the CR 103 with the Code Reviser, and rules will become effective 31 days after filing, on February 2<sup>nd</sup>. Any questions?

Chair Postman: I just have one or two maybe. Your memo says that there were requests for the definition of synthetic and synthetic cannabinoid, and that's not in the rules, but it is in the agency's requested legislation that's been introduced, and so that's happening. Can you just tell us, we've talked so much about the interplay of rules and statutes, what determines that? Why is that something that you think we shouldn't do as an agency in rulemaking, do you think that would require - our reading of it is that it's in statute today and we need that changed in statute?

Ms. Hoffman: It would be appropriate to find it in statute since it's already part of the controlled substances act, so to have the legislature take that on would be more appropriate than the agency trying to define it in rule.

David Postman: Ok right, and that's sort of the process we went through most of this year, sorting these things out, where do we have authority today that we could do in rulemaking - where do we need more authority that we want to put on that list of things that we want to put into our agency request legislation. Together the two of them should give us that regulatory system that we've all talked about so much this year, to give us what we need to respond to these compounds.

Ms. Hoffman: That's correct.

Chair Postman: And we need both.

Ms. Hoffman: We do need both to be able to move forward with this and address the situation appropriately and safely.

Chair Postman: Ok, good. I'm confident we will get both, but I just want to make sure of that. Any other questions or comments on this? No? Anything more on this before we take a motion to approve the 103, Kathy?

Ms. Hoffman: No Chair Postman, thank you.

Chair Postman: So, with that then, we'll entertain a motion for approval of the CR 103 for evaluating THC compounds.

MOTION: Member Hauge moved to adopt the CR 103 for Evaluating Tetrahydrocannabinol (THC) Compounds.

SECOND: Member Garrett seconded.

ACTION: Chair Postman approved the motion.

Chair Postman: Great, then that is approved unanimously. Thank you very much, Ms. Hoffman. Thanks for all the work on this one, I know it's not done yet but this is a big step forward, so thank you for all of that.

Ms. Hoffman: Thank you very much.

## **5. GENERAL PUBLIC COMMENT**

Chair Postman: Ok, we are to the point of the meeting where we will hear from the general public who have signed up prior to the meeting starting to address the Board. A couple of reminders, one as always, these are recorded and the meeting is posted online soon after meeting will end, if anybody wants to go back and look at it. Everybody is given four minutes, there's no exceptions to that, everybody gets the same. When you are 30 seconds from the end of that, Dustin will interject politely to remind you that you have 30 seconds left. He's not trying to be rude in his interruption, but we don't have any way to signal it by lights or anything, so just listen for that, and then we will ask you to wrap up. If when I call your name,

if you could again, state your name and affiliation, so we have that officially and clearly that would be great. And with that, we will start with the first person I have signed up is Philip Petty. Mr. Petty?

Philip Petty – Washington State African American Cannabis Association

Philip Petty: Ok good morning everyone, and how's everybody this morning?

Chair Postman: So far so good.

Mr. Petty: Ok great, good, good. Well hey, I'm Philip Petty, I'm with the Washington State African American Cannabis Association. I've been on a lot of the meetings from the Task Force and the community giving their feedback on some of the things that we should be doing. I was wondering - I haven't heard anything about that - I haven't heard, in terms of, are we going to use the recommendations from the community that were voted on, that were actually, one of the members of the LCB voted to approve those. And so, it's been quiet, and then when we were going to have meetings on it, it seemed like those meetings got postponed or pushed back. So, I was concerned that it's kind of been a stealthy process anyway, not knowing what's going to happen, and what's going on.

I was wondering if those recommendations that we came up with together, that, if the LCB is in legislation, or anything, in writing any bills? Because I know there's a rubric on who would qualify for these social equity licenses. I also know that there are some things in terms of restrictions that would probably have to be removed to add new licenses. Are we going to add more than the 38 licenses? Because we know that 20 of those are in moratorium, and 18 of the licenses are probably going to be good, but are they going to be moveable?

There are just so many questions that I have, and these are things that we addressed in these meetings, and it seems as though I haven't heard anything from LCB, in terms of what direction they are going in. And, I'm really concerned about the legislation piece, because as it was said by a couple of the members from the LCB, was that it was going to take legislation in terms of the moratorium, and we had come up with the 300 licenses between 2022 and 2029. And we agreed upon that, and we agreed upon the rubric, which was going to be used to qualify the individuals for those licenses. So, I just was trying to, you know, as a group while I had you, maybe somebody could give me some feedback on that. Where are we on the terms of that right now? Is the LCB in legislation? Are they writing a bill? Because they said they needed legislation to do some of this work.

And then that leads to my next thing, is, why do we need legislation? Because you were able to give out licenses in the past; you didn't need to go to the legislature to do it. But when we came up with the social equity, equality deal, it seems as though now we've got to go through that extra hoop of going to legislation, and it just seems like...

Dustin Dickson: Phillip, you have 30 seconds

Mr. Petty: ...is that only for social equity people or is that for anybody? Maybe in these last 30 seconds you can answer that for me.

Chair Postman: I can't answer that in the last thirty seconds, but we have some other people signed up to talk, we'd love to get through the people we have and we'll try to address it. My sense is we'll probably have to get back to you with more details, because I don't know if we have the people on this call now who can answer that question off the top of their head. But I have a few things I can share with you after everybody else gets through, Member Garrett may as well, and then we'll make sure that we're in touch, in detail, to address those details.

Mr. Petty: Yes sir, ok, thank you.

Chair Postman: Thank you for joining us. Next up is David Busby.

David Busby – OpenTHC

Thanks, I'm David Busby, I'm with Open THC. I'm hoping you guys are receiving ok.

Congratulations on the CCRS business and all that, but some data that was critical for the cannabis industry has become significantly more difficult to access. The agency has asked us to use Foley requests for this information, and that process is very, very slow; maybe there's a way to prioritize those data-type of Foley requests? Or also, you've had various requests into that service desk on how to address this, on getting the license code, maybe address, name, official name, published, this used to be a well-known data set and maybe also a strain list. Those are critical for interoperability for every licensee regardless of their chosen solution. It's also been suggested at the last meeting, I think, I was also at where you engaged with the technology industry a little better. You guys used to hold regular meetings with the integrators, and I thought that worked very well, you should bring that back. Especially now that you've got the entire technology stack under your control. I'll yield the rest of my time.

Chair Postman: Thank you, if you could send me an - I'm not familiar with those requests, could you send me just a brief email that tells me the information you've been trying to get, that you've been told you need to put in a public records request for, and we'll see what we can do.

Mr. Busby: Yeah, I'll get it to you, thanks.

Chair Postman: Thank you. Next, we'll hear from Jim Buchanan.

Jim Buchanan – Washington State African American Cannabis Association

First of all, I'd like to say happy New Year to everyone, and I appreciate your consistent work.

I want to second what Phil said, basically. We had the Task Force meeting, the Task Force assigned by legislation. And what came out of it was, in the licensing work group, was 300 retail licenses, 200 producer/processor licenses, distances changes to be made, so there's a spot to put them at, and a few other recommendations, and those meetings seemed to have been delayed to take it through the final stage, but it was worked through, through the licensing work group. And we feel the LCB has been quiet.

We have -- the Task Force did a great job. We had some difficult conversations, but they did a great job. In the end, we got it done. Then the Governor's Disparity Council approved the recommendations also, a couple of days ago, or earlier in the week. The LCB, who is the agency to implement all this, has been extremely quiet, and like Phil said, stealth. Where has the action from the LCB to implement the recommendations that were signed by legislation to be able to put in? Where's the bill that represents that? If there is one, we'd sure love to see it to understand what it is. The communication is absolutely horrible between the community and the LCB, and there's nothing happening to try to bridge that gap, even though the communication has been horrible since 2013.

When we were harmed by the war on drugs, equity and equality is an equal part. Economic justice is having economics for our community, and where is the LCB at? Pushing out 38 or 39 licenses is not it, out of 1800 some licenses, about 15 or 16 is not it for black and brown people, specifically black people, and it might increase a little with black and brown, but bottom line this is not equitable.

But then we've got the Governor – he did a fabulous job, and he said in his speech, when we presented him the community reinvestment fund, for \$250 million a year -- we met with him -- and they stepped up, and they did \$125 million a year, it's not what we asked for but it's a start. So the Governor's Office stepped up – we've got the Task Force that picked it up and stepped up after difficult conversations, is the LCB going to step up, and not do what's comfortable but do the right thing? We need to be on the right side of it.

New York has 50% of their licensing going to social equity applicants from the beginning. That's the right thing to do. 40% of their cannabis tax money going to community reinvestment programs, that's the right thing to do. Not the comfortable thing, not the thing you might want to present and say here's a Band-Aid, we have a cut down the whole side of our body, from the head all the way down, a deep cut, with a 12-inch deep, in our flesh and want to put a Band-Aid on the arm and say okay, ok now heal. No. We're demanding true equity and equality...

Mr. Dickson: Jim, you have 30 seconds

Mr. Buchanan: ...as a community we are. So what we would like to do, though, is we can't understand why everybody just doesn't organically want to be on the side of right. We're asking the LCB to step up, do what's right, not what's comfortable, and do the right thing for our black and brown folk and the community, because we're going to keep pushing until it happens.

Chair Postman: Great, thank you for your comments. Next is Elmer Dixon.

Mr. Dickson: Chair, Elmer Dixon registered to speak but is not with us online today.

Chair Postman: Ok, thank you. Darrell Powell?

Darrell Powell – NAACP Alaska Oregon Washington State Area Conference

Good morning, happy New Year's everyone. My name is Darrell Powell. I'm here in the capacity of representing the NAACP.

I'm the Vice President of Economic Development, and I've been working since June, maybe May, with the Washington African American Cannabis Association, and on the phone calls, and the Task Force, and the work groups, to bring about what I consider something that I consider that's equitable considering that we were left out of the first process. I've come to understand that there's 500-plus licenses that are out in the community, and what's so horrible, if you go to the October 15 Puget Sound Business Journal, they show revenue by county of all the retail licenses. And I'm sitting here looking at \$38 million of revenue, King County, with 100 licenses. Then \$27 million in Pierce County. It's ridiculous that we can see this kind of wealth building that takes place and the African American community is locked out. If LCB and the legislature had centered equity when 502 was being written, and centered equity when 2870, and centered equity with 1443, we wouldn't find ourselves here, chasing an opportunity when the ship has already left. I would expect that the LCB to see – all you have to do is look at your own data, and look at the unintended -- in the best case I hope it's unintended consequences -- but in the worse-case it's conspiracy and it was meant to happen. The lottery was a fraud, because if the lottery was equitable, African Americans would've been a part of the lottery, and would've gotten their fair share.

So, I would expect that this second time around, and I'll make a request, that of the next 300 licenses, in the form of 38 to 40 a year, go to African American and other BIPOC communities. I would expect that you would understand and know that the reason why King County is doing so well is because all the white licensees have capitalized King County, Capitol Hill, they've capitalized Magnolia, have capitalized all the

dense areas, and they're generating \$4-5 million per store. So I wouldn't expect that the next 38 licenses go to Mason County, or Douglas County, or Whitman County, I would expect that the LCB would make sure that distance requirements are changed such that we can compete in dense areas. We can compete in areas that are populated, in the areas that we were arrested when we went to jail.

I haven't seen the LCB make a statement on anything. I've worked with the work groups, I've worked with the Task Force, we voted, we've taken those same things that we voted to the general interagency council on the health disparities, shared by Dr. Ben Danielson, and a brother Victor Rodriguez, they voted unanimously, on the third, to support the work group recommendations and the Task Force recommendations.

Mr. Dickson: Darrell, you have 30 seconds.

Mr. Powell: We talked with Senator Kloba. Senator Kloba said, 'Well the recommendations sound fine, but do you have the Cannabis Board coming out and supporting it? And if you do, are they preparing any legislation that we could get on the calendar in the supplemental short period?'

So, we're here to say, where is the Cannabis Board? I'm curious, where is the Cannabis Board on this? What is your position on this? Are they actually supporting the recommendations...

Mr. Dickson: Darrell, that is your time.

Mr. Powell: ...of the Task Force and the work groups? Are they actively supporting the recommendations of the council on health disparities? I need to know where the Task Force is, because it's been silence. Silence is complicit.

Mr. Dickson: Darrell, your time is up, sir.

Mr Powell: We've been wronged and if you're silent on it then you're complicit in it being wrong, therefore you support what happened. An ask for 38 licenses is a meager ask. Do the right thing, like the Governor already started trying to do the right thing...

Mr. Dickson: Mr. Powell your four minutes is up.

Mr. Powell: ...and putting forward the reinvestment act for the cannabis revenues.

Chair Postman: Thank you, we appreciate your comments. Next up is Micah Sherman.

#### Micah Sherman – Raven Grass

Hi, thanks for the opportunity to speak. My name is Micah Sherman, I'm the co-owner of Raven, a Tier II producer-processor in Olympia. I'm on the board of the Washington Sun and Craft Growers Association, I'm their representative with the Washington State Cannabis Integrators Alliance and helped start that movement. I'm also a legislative appointee of the Social Equity Task Force.

I, as you can tell from all of those things, spent an awful lot of my time and my life working on these issues, and have extensively been involved in the work of the Task Force, and I really want to reiterate the comments that have been made thus far on that process. There's been a lot of recommendations that have been made throughout the last year, and there's been not a lot of activity within the agency to move those recommendations forward as they were progressing. I think we should take that feedback to heart, and start to identify the ways that we can actively support those efforts, rather than bringing up the things that are problematic with them, that are potentially preventing them from moving forward.

While we appreciate the context that's often provided by the representatives of the LCB at these meetings, I have seen very little -- the mindset of coming into those meetings of moving forward those recommendations, rather than just pointing out their potential pitfalls, has not been a very helpful approach. And I think taking to heart what is being said in this meeting is very important, and that there's a ton of power that the Board and the agency has, to prepare the way for these recommendations that are now moving forward in the Governor's Office, and moving forward in the legislature. Help is needed to make sure that these are as impactful, successful, and beneficial to the effort being made as possible. It's definitely time to shift the mindset and the approach to that process to one of being collaborative, cooperative, and a partner in that work.

And I do want to say that I appreciate all of the effort that has been made, especially by Board Member Garrett on that process, and I would love to see some institutional support from the rest of the agency on that effort.

I've been to pretty much all of the work group meetings, and the Task Force meetings, and I say honestly with no ill will that honestly, we have not had that sort of active support that I think would've benefitted the process. I've made lots of suggestions over the last year about things that the agency could have been doing to move that forward, but I haven't seen the sort of reciprocity that I would've expected. And I think that we still have a lot of opportunity to make this a successful legislative session in that regard, and I really hope that we can all work together to produce these outcomes that the Governor's Office is supporting, that the equity Task Force has recommended, that the health equity's council has now voted on supporting, that there's active support from a variety of different legislators in both the House and the Senate. This is a year that we could get some real significant improvements to our industry, at the same time of moving forward social equity in our state. These are mutually beneficial processes; they are going to help our industry overall.

Mr. Dickson: Micah, you have 30 seconds.

Mr. Sherman: The industry is broadly supportive of these policy changes, and we want to see these go into effect. This will help our industry. It will move us in a better direction, and the status quo for both small farmers, and for people that have been excluded from participating, isn't going to work anymore. We're not headed in a direction that is going to be sustainable for the long term for our businesses, and we need to come together and make these things happen. Thank you so much.

Chair Postman: Okay, and the next to speak is Victor Rodriguez.

#### Victor Rodriguez – Interagency Council on Health Disparities

Good morning, my name's Victor Rodriguez, and I am the Vice-Chair of the Governor's Interagency Council on Health Disparities.

The council believes that the war on drugs has resulted in significant harm to the black communities and other communities of color. As an entity responsible for providing staff support for the Social Equity in Cannabis Task Force, the council strongly supports the Task Force's work, and the broad policy concepts of ensuring licenses are issued to those most affected by the war on drugs, reducing barriers, and supporting individuals who receive social equity retail licenses to foster success, and reinvest in cannabis tax into disproportionately impacted communities.

One core reason why the council supports this is, our primary goal is to be a body that provides recommendations to the Governor on how to improve the health of Washington state. What does equity mean? What does health equity mean? It means that we focus, we use data, first of all, and that we focus



on the areas with the greatest needs. By doing that, it actually improves the health of the whole population. Across so many indicators, health outcomes, the trend that we see, is that black communities, brown communities, communities of color, low income communities, rural communities, are often disproportionately suffering from bad health outcomes, those are called health inequities. Health inequities are health outcomes that are unnecessary, that are unfair, that are not because people are choosing the wrong choices, it's not because they want to be in bad health. It's because the conditions in which they live in make it extremely difficult to make the healthy choice.

For example, when public health officials say you should eat healthy, you should go for walks. How do you do that when you live in neighborhoods where it's not safe to do so? How do you do that in a neighborhood where there's no parks to walk to? How do you do that when you live in a community that's a food desert?

The Board has a very powerful opportunity to improve Washington's health, by investing in communities to build their wealth so that they can live in neighborhoods, have housing, have access to healthy food, have access to education. So that's why we're really strongly support these efforts, and we believe that by doing so, it would actually improve the overall health of Washington state.

So, thank you so much, I appreciate the opportunity to speak. I'm a longtime resident of Washington state, and I love this state, and I volunteer my time, many hours, because I believe in the communities, and I believe that the Board wants to do the right thing, and having worked in government before, I know there's a lot of government barriers that sometimes make it hard to do the right thing. I know that, I've been in those situations. But I urge you to be bold, I urge you to do whatever you can, lift every rock, to make sure that we address these historic issues that we have all inherited.

Mr. Dickson: Victor, you have 30 seconds.

Mr. Rodriguez: I know many of you would want to address these things, the historic legacy of racism, we've all inherited these things, and now it's up to us to address these things for our children, and the future of our children.

So again, thank you so much for the opportunity to speak, and I look forward to tracking and seeing how these efforts play out.

Chair Postman: Thank you, I appreciate those comments, thank you to everybody who spoke. That's the last person we have signed up.

I would say again, I think we owe the group a larger and more detailed response, and we'll find a way to make sure that that happens quickly. I'll say a couple of quick things, and then I'll ask other Board members if they would like to weigh in as well, particularly member Garrett, who's been intimately involved in this process.

The top line here is, we're not doing nothing. The LCB is actually hard at work trying to do the work that's necessary under the law to implement some of the recommendations. I don't know for sure what the status of some of these recommendations are, because Task Force meetings were canceled, and such forth. That has nothing to do with the LCB, and so I know there were work group recommendations, and I just don't know the answer to that. In part, because of the law that prohibits member Garrett and I from attending any meeting together, other than these public meetings, I don't have that level of detail at my fingertips, but we're working hard.

I'll tell you a couple of quick things - one, I don't believe we're proposing legislation, we don't think that's necessary at this stage of the process. But we are doing rulemaking, and we've talked about those publicly numerous times, over the last couple of months since that was first proposed, discussed, the initial statement, approved by the Board. We're working on what that outreach, public hearings, "deliberative dialogues", will be, run by our rules team that does an incredible job of being open and inclusive in every rulemaking that we do. And so that is really a major effort of the agency right now.

So, sorry that we have not done what we needed to do to make sure everybody knows the, both the depth and pace that we're working on there, but we are not just sitting on our hands. We are not looking just to be comfortable.

Let me address the Governor's proposal, too. I fear there's some sense that maybe we don't support what he has proposed. Let me say, we worked hard on that proposal. Our agency staff was intimately involved. We absolutely support it. We think it's a great way to move quickly.

To respond to what we heard today about the impacts of the war on drugs, absolutely - 100% behind it, helped fuel it, and really proud of our Governor for stepping up and doing it in such a big way. Even though I know it's not all that people asked for, it's big, and I think it's great. That was not a recommendation, I know there's legislators that are proposing it, we will see a really serious effort to get that passed this year, and I'm optimistic it will pass with the Governor behind it.

So, the work is being done, we are not in a position to just approve whatever recommendations that have come to us. We do put it through a process, as we do all our rulemaking, which makes sure that it's within the authority that we have, so we don't have to wait for legislative approval to do it. We need to look for ways to make sure that things are legally sustainable as much as possible. We want to try to avoid any drawn-out legal battles over anything we may do in this field.

I've been here since March, and I can assure you that everybody you see in this meeting, as well as in all our meetings, from the leadership of this agency down to the staff, are fully committed to this work. They don't hesitate, they're not fearful, they do want to take the big steps, but we want to do it in a way that is sustainable, doesn't overreach our existing authority, so we do have some guidelines, but we're going to put this all down someplace, and make sure everybody can see it. We do have a social equity place on our website, which we could update and include much more about the rulemaking process and other things, and I think we'll be hearing a lot more about that rulemaking, including some sort of session where we can sit down and talk about what that process is going to be, how to engage, what are the different steps that we go through, so everybody can see. We have no reason to try to be quiet. I don't believe that we're being quiet on this, and like I said, I'm sorry that's what we heard today, so we'll do better there, we'll make sure. I think we're doing some important work, we're doing it quickly, and we should be sharing that far and wide.

With that, I'll pause. Member Garrett, do you want to add anything about your work on this?

Member Garrett: Yes, and you covered a lot of it.

I don't know where some of this miscommunication is coming from, but I want to start with - the reason in how the Task Force was created is because the LCB introduced the bill to lead to the Social Equity Task Force, and to lead to us getting recommendations on things that we can do as an agency.

With that being said, the LCB has been actively listening in on all of the meetings. I have asked staff to come on, listen, and hear what the community has been saying, what they are going to recommend, and what they are requesting. From that process, the LCB has created its own internal task force, to focus on

what we are hearing and to start preparing to be ready for what's going to be presented to us. We're listening to those calls, we're carving out things that we can do, and we're waiting on things to figure out what it is that has to go before legislation.

We actually opened up the CR 101 before receiving any recommendations in order to be ready for the recommendations. Kathy spoke earlier on the CR 101, and is going to do a "listen and learn" session with the community to hear from them once we get recommendations.

I, in doing my work of trying to listen to being part of the Social Equity Task Force, and hearing what they're saying and going back to staff, I have had full support of the agency on trying to put together, and be ready for, what the Task Force is going to present to us.

To my knowledge, and what's a little confusing here is, the Task Force has not completed its work. Recommendations haven't even been brought to us yet. So to say that we are not agreeing, or going to accept the recommendations that haven't even been brought to the LCB yet -- that process hasn't occurred. But in the meantime, based on what we have been hearing, we have been very actively working on figuring out how to accept the recommendations, what we can do to be ready for the recommendations we created doing this process. We created a social equity website, so that we can help people know what they need to know in order to be ready for when things open up, and the whole process. I just don't want staff to get frustrated by what we are hearing here today, knowing all of the work, internally, that we have been doing in support of this, and I think I will leave it at that.

Chair Postman: Thank you, that's very helpful, and in fact we were out ahead of the recommendations, and that was my question. We've yet to see final recommendations, which is a little bit of a detriment to us, but we've started already with the rulemaking, we're out in front.

The other thing I wanted to mention is, the work that you, and staff, and others did, on criminal background checks. We didn't wait for any recommendation there. We did really, I thought, important work there, which was supported largely, so we've been doing a lot, but not doing a great job explaining it I guess, because people aren't hearing it.

Member Hauge: As everyone knows, this is my next-to-last Board meeting. And I guess I wanted to offer my perspective as of right now the longest serving Board member, and talk about what happened when we took the original rules, to set up the three-tiered market around the state. And what we heard a lot then was that "the LCB had done away with the dispensary market", "the LCB had driven everyone out of this business", "the LCB had changed the community standards and distances, and it was all our fault".

As has been ably explained by our Chair, and by Ollie Garrett, who has been the one member of our three-headed beast here, who's had the responsibility for maintaining contact with this, the work has been without a break, since I have been on the Board. This has been an issue that has been of topmost consideration. In large part because people come to our meetings and tell us about it, of course, but also because this is a place where we want to do the right thing. We are in a position not to create law, we are in a position to give shape to what the legislature and the Governor gives us to work with.

We, as you've heard, are trying to do it here, and guess I want my last word on this to be -- everyone who can hear this, this Board, and the staff here, are your best friends. We're the ones who've kept this ball going over this last year. And that is not going to stop when I leave, it's not going to stop when David leaves, it's not going to stop when Ollie leaves, it's going to continue, because it's the right thing to do. And I leave this agency with a clear understanding that everyone here is committed to doing the right thing. And I have no doubts that will continue.

Chair Postman: Thank you very much for those comments.

We do need to gather the details, and get it out there, and update our website, and show people what we are doing. I think what you heard from the members is absolutely correct, but if it's in a vacuum it's not getting out to people. The Task Force recommendations - we're doing what we can based on what we have seen, and what we think is the path we have in front of us, and we're taking it.

I want to thank the people who came to talk today about this, and made us a little uncomfortable, and that's great, and so now we're going to find out how we can do better talking about this. We do listen - a couple of weeks ago, Peter Manning came and talked to us, and his concern was more about the Task Force and asking us for help and I just - he said something that I've repeated many, many, times since then. He came and said - I found the actual minutes - and he said "when I come to these platforms and the LCB opens its doors to the public, it's a majority of white people coming in, and they talk about the issues that they're having in the industry and whatnot. We want a chance to participate in this type of setting. We want to come in and talk to you guys about terpenes and all this. We need this opportunity to come about". I thought that was just really meaningful to me and I've repeated it to staff over and over again. I think it really draws a great picture of what that equity would look like. It's coming and talking about the issues of the industry beyond just trying to talk to us about trying to get into the industry. So we have to get you there, we have to bring you to that level. We have to do the work, we get it, and we are. And I know there's concerns about pace and all of that, but -- and there's no point in saying "trust us", we've got to show it and we will, and I appreciate all the comments, and we will have staff work on compiling more of the details of this, we'll send it to those who spoke, but we'll also make sure that it's found, that you can find it somewhere on the website, so everyone can see it and we'll do regular updates to it, I think it would be worth doing that.

Anybody else on social equity, members? No, okay.

One last thing, back to David Busby, I just want you to know, I did already get a note from the team about your comment, so please do send me a note on what information specifically you're looking for, we'll see what we can do. And just coincidentally, just before our meeting, the CCRS steering committee met, and one of the things they talked about was engaging the industry more. Their focus right now -- their highest priority will to engage the industry on the improvements to the manifest process that they have promised. So we're on that, we'll do more on that too, so I appreciate you bringing that up, and please do follow up by email when you have a chance.

Okay. That does it, and with that we will adjourn the Board meeting for January 5, 2022. Thank you all for coming, thanks to the Board members, good to see everybody, and have a great day.

## **ADJOURN**

Chair Postman adjourned the meeting at 10:52am.

Minutes approved this 2<sup>nd</sup> day of February, 2022.



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David Postman  
Board Chair



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Ollie Garrett  
Board Member

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

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