



## **Executive Management Team Meeting**

Wednesday, January 12, 2022, 1:30pm

This Meeting was Convened via Web Conference

### **Meeting Minutes**

#### **EMT ATTENDEES**

Chair David Postman  
Member Ollie Garrett  
Member Russ Hauge  
Rick Garza, Director  
Toni Hood, Deputy Director  
Chandra Brady, Director of Enforcement and Education  
Brian Smith, Communications Director  
Becky Smith, Licensing & Regulation Director  
Chris Thompson, Director of Legislative Relations  
Gretchen Frost, Special Assistant to the Director  
Dustin Dickson, Executive Assistant to the Board

#### **GUESTS**

Bruce Turcott, Senior Council  
Penny Allen, Senior Council  
Jonathan Pitel, Senior Council  
Jim Morgan, Chief Financial Officer  
Kathy Hoffman, Policy and Rules Manager  
Kaitlin Bamba, Senior Policy & Education Manager

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#### **EXECUTIVE SESSION**

At 1:33pm Chair Postman announced the Board would go into Executive Session. He anticipated the Executive Session would conclude at 2:00pm.

At 1:59pm Dustin Dickson, Executive Assistant to the Board, announced on the Board's behalf that the Executive Session would be extended by 15 minutes, with an anticipated conclusion time of 2:15pm.

At 2:15pm Chair Postman announced that the Executive Session had concluded.

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#### **APPROVAL OF MEETING MINUTES**

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

**SECOND:** Chair Postman seconded.

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

## **CANNABIS CENTRAL REPORTING SYSTEM UPDATE – JIM**

Jim Morgan: Good afternoon, Chair Postman, Members Garrett and Hauge. I appreciate the opportunity to update you on this important project. When we last met we had just barely gone live, a couple of days before that. Since then we've made steady progress in stabilizing the system.

Early on, for the first several weeks, we had an incident command team of technical folks, program folks, that met daily to discuss issues with the system, and solutions to that. The service desk, to date, has fielded about 1,000 questions and tickets, and has closed almost all of those by now. Those tickets ranged from folks having difficulty accessing the system -- those were pretty prevalent early on, they were able to help people through those; some had issues that were specific that were just to that licensee, and those folks were helped; and some were related to the system in general. Of those issues related to the system, those were triaged and categorized based on their severity. The most severe were issues that we determined needed to be fixed right away. In the IT parlance they call that a hot fix. There were five of those total, so far -- only one since the week before Christmas, so a few early on. Each of those was -- the effect was implemented without any downtime to the system. There are no level-2 severity issues remaining on the list right now. Others were determined that there was either a workaround, or an acceptable -- that they could be accepted and put on hold to work as a group. The team is now working on those system issues and we expect a group of those to be implemented in the first week of February.

The end of December came the decommissioning of the LEAF Data System. We did receive our final download of the database by the end of the year, and have that data set available for our continued use and reporting, and analysis. So we are complete, and no longer have a contractual relationship with MJ Freeway.

Our focus right now, as I mentioned, is on the issues that had been identified. The team is evaluating those, and working on a complete set of fixes. The next step after that stabilization update to the system, we'll be turning our attention on the manifest issue. That's something that I've been mentioning a couple of times -- that system is working. However, it is very inefficient for licensees, and we have committed to finding a better way to do that. Part of that process will be to engage stakeholders in the industry. We're going through lists of licensees and integrators who are using the system right now to determine which of those we'll be inviting to participate with us as we explore solutions to improve the manifest problem. We expect to be reaching out to those stakeholders in the first week of February, and then in the next several weeks after that get a meeting scheduled to do some woodshedding with them and come up with some solutions to that system.

At this point, we have had close to 80% of our licensees that have at least logged into the system, not quite so many have actually uploaded files yet, but most of our licensees are at least -- we know they're at least aware of the system, and their responsibility to engage with the system, and report in the system. The Enforcement and Education Division, with emphasis on education, is using the list of those licensees that have not yet logged in to provide education and make sure that expectations for licensees -- to ensure that licensees are clear on what's expected of them, and also pointing them in a direction of resources if they have questions, concerns, or issues with being able to report. We will be in an education mode for at least a couple of months, with our focus on ensuring that licensees have the tools they need to be able to access the system.

We are setting our sights on what this project looks like and to transition to the system that is just supported by our IT operation. Sometime after the manifest solution is implemented, we'll likely be

transitioning the project to a “maintenance phase”, where potential updates to the system are evaluated through our internal governance processes.

That’s what I have for you today. If you have any questions, I’ll be happy to answer those.

Chair Postman: You said we’re at 80% participation now?

Mr. Morgan: Correct.

Chair Postman: Is that what we thought we’d be at? Is there any way to judge that?

Mr. Morgan: That’s kind of where I thought, it’s a basic 80-20 rule that’s playing out here, where our regular communications -- and we’ve taken several different avenues to try to communicate with the industry, from emails, websites, webinars, postcards, through trade associations, that’s probably as far as we’re going to get through those normal communication channels, and now the individual outreach is where the 80% of the effort is going to come in with the 20% of the licensees.

Chair Postman: You’re our numbers guy, so do the math for me. How many licensees are we talking about if there’s 20% who have yet to connect?

Mr. Morgan: Our total is around 1,800, so, 360 I guess is 20%.

Chair Postman: Ok, good to know. Thank you. Keep it up, we appreciate it.

Mr. Morgan: Thank you.

Chair Postman: You’re welcome!

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## **SOCIAL EQUITY UPDATE – BECKY**

Chair Postman: And now we’re going to spend some time getting an update on the agency’s work on social equity in licensing and elsewhere. I’ll ask Becky Smith, the Licensing Director, to start us off. I’m not sure who all else is joining you, but I’ll let you handle that from here.

Becky Smith: Thank you. Good afternoon, Chair Postman, and Board members Hauge and Garrett. Thank you for allowing me to speak this afternoon. I’d like to provide some updates on the work the agency has been undertaking for the last year or more.

Ms. Smith moved on to give a social equity update presentation ([PRESENTATION 1](#)).

Chair Postman asked if the LCB had the authority to increase the number of retail licenses for social equity. Ms. Smith confirmed that the agency did not have that authority and continued the presentation.

Ms. Smith: Actually, I want to say, the legislature had indicated that it had reserved the right to issue more licenses, I think it’s RCW 69.50.336, that limits our authority. So we have 39 licenses available, I always hear that number fluctuate back and forth, it’s 39 currently, and that number could increase if licenses are canceled or revoked. 23 of those are in areas with bans or restrictions, 16 are potential viable locations.

Ms. Smith then continued the presentation ([PRESENTATION 1](#)).

Member Garrett: Can you speak on our internal social equity task force, and who or what it consists of?

Ms. Smith: Yes, absolutely, that is on the next slide. In response to addressing the comments made by the community at Social Equity in Cannabis Task Force meetings, our agency created a cannabis social equity page. This is an external website that houses various resources, and the opportunity for further engagement with the community. We have a social equity program overview, licensing resources such as what makes the business structure, local requirements, and location restrictions for instance. Within the LCB cannabis social equity page, there's also a section that provides allowances to anyone to submit questions. We haven't had a lot of questions that have been submitted, but we know as time goes on that we'll see more questions added there. And then we want to be able to have a spot that we actually have frequently asked questions as well. There are other resources on that page, that talks about our agency partners, laws and rules, et cetera. Russ, did you have a question?

Member Hauge: I really appreciate getting this out into the open. What is the standard that you've imposed for responding to these questions, in terms of the time?

Ms. Smith: Great question, Russ. We respond to them within 24 hours. We actually have staff that are dedicated to looking at what questions come in, and then us responding right away.

Ms. Smith then concluded her presentation ([PRESENTATION 1](#)).

Ms. Smith: Kathy Hoffman and Kaitlin, I invite you to -- if you have any information that you want to share or add to the presentation, and of course open it up for questions.

Kathy Hoffman: Good afternoon, I don't have anything to add. I do really want to commend Becky, and say that was a great work update on this project, and it's really coordinated well with rulemaking and moving into the future with these rules. So, we're making great progress, and we really appreciate the collaboration and opportunity. Thank you. Do you have anything to add, Ms. Bamba?

Kaitlin Bamba: No, I don't have anything to add, but I'm happy to answer any questions, thank you.

Chair Postman: I have one, I'm not sure who would be, or I'm sorry -- Ollie I see you had your hand up.

Member Garrett: I was just going to follow suit with Kathy and commend Becky and the agency for the work they've done, and continue to do, and say it's been really great to see how we've been eager to come together beforehand, and do all the work that you've described here, to be ready for the Task Force and for their recommendations. And to also state that everything that you've presented here has been communicated to the entire task force work group in various meetings, so this work has not been done in a tunnel, in all of our meetings with the entire Task Force. This work has been presented, you've done presentations, when we first did the website we had, I think, 10-15 minutes on the agenda with the entire task force to present the website, so thank you.

Chair Postman: Member Hauge?

Member Hauge: Thank you, I just want to give my perspective of working 25, 30 years in government policymaking, and policy execution. The progress that this team has put together and made, coordinating the complexities of rulemaking with the public process that is the legislative Task Force is not something

I've seen before, and I am very, very sad to not be able to continue to be a part of this project. This is some outstanding work, and again, I wish the best to the agency and to you all going forward with this.

Chair Postman: Thank you for that. I will certainly second the comments of my fellow Board Member.

One quick question at least, on the rulemaking piece, obviously we do rulemaking all the time, and it's almost always for people who are already in the system, right? They're people who we do regulate. What are we going to do -- and you and I have talked about this a little bit -- but what are we doing to do to do that extra bit of outreach now and make sure that process is easily accessible and understandable to people who aren't already inside the world that you live in?

Ms. Hoffman: That is a great question, Chair Postman, and I'm happy that you've asked it because a little bit later today, I have a meeting with members of my team, and our DEI Manager to talk about putting together some sessions to invite community to meet with us and talk about how we do rules and the different ways that community can engage with us in rule development, and the ways that they can engage with the agency and learning about that. So I anticipate at this point that those kinds of efforts will start to take shape by the end of this month, and the idea is to offer those sessions virtually to begin with, if we're in a space by mid-February that we can do those live, we're absolutely going to try to do it, and I know I'm being a little bit optimistic there, but why not, and at the same time I do want to do a recording that we can share across our authorizing environment that people can access it anytime they want to, to find out how do you get involved with rulemaking? Who do I talk to? How does the process work? All those sorts of things, and it really is geared to folks who are not our licensees at this point, but our future licensees. So we're very excited and it's work I'm excited to do.

Chair Postman: Great, and that frankly could be helpful for people who are already licensees but don't have the comfort level to come before you themselves, and who don't have to have a lawyer or a lobbyist or anything to do that, so good, I look forward to that. Another question?

Member Garrett: I wanted to follow up on that to say, in the beginning, probably the first month of COVID, and that was when we did our across-the-state outreach, and that outreach was for people that weren't in the industry, that felt like they were left out of the industry, that wanted to get into the industry, so those 3 across-the-state meetings, David, that was the group, the community that we brought in. It was well-attended, and these weren't licensees, these were folks that were interested in getting into the industry, these were people that had held medical dispensaries and felt that they had been left out, or going forward how they would be able to get into the industry if we created new opportunities. So I don't recall where we get our list-serve from, or what we did for that, but those 3 meetings, those were statewide meetings were well-attended by others who were not already in the industry.

Chair Postman: Yeah, good. Any other questions for anybody here, or anything further to add on from staff on this subject, before we move to the next?

Ms. Smith: I just want to thank you, I want to thank the Board, Ollie, Russ, David, I just thank you for all of your support, that -- we have a lot more work to do, but I think it's always comforting for staff and myself to know that we have the support of the Board, and it makes a huge difference, so thank you.

Chair Postman: You bet, 100%. We really appreciate all that you and your team and everybody is doing on this, and it's not easy, and we're not done, so thank you for that. I think we're going to stay with you, Becky, for a general Licensing update.

## LICENSING UPDATE – BECKY

Ms. Smith: I'll make it brief, because you've probably already heard enough from me already, I'll just highlight a couple of things, the first of course is 1480. As we're accepting applications -- we began accepting applications on December 2 -- this is for extending liquor/COVID allowances, we have three new temporary endorsements: curbside delivery, cocktails to go, and growler delivery. We estimate about 10,000 licensees are eligible to apply. So far, we've had 122 factory-sealed curbside for takeout, 93 premixed cocktails that have been approved, 61 for growlers, and then we have 25 applications that have been denied due to the licensees requesting a third party delivery that was non-compliant, with a non-compliant company.

We also have on the 8<sup>th</sup>, a new food service for outdoors, that'll be when sharing tasting area requirements went into effect, and the team has expanded our online resources to include information about food requirements and outdoor seating. A big thank you to Communications for all your assistance, they were wonderful in helping us get this information out.

So with cannabis, as you remember, we did some simple alterations. Since October 1, when customer service took over simple alterations for the cannabis unit, we've completed 18 applications with an average processing time of 10 days. So, it's gone from 90 days to 10 days, for simple alterations that we have -- in December we took the alterations application, we combined it into just one application that provided our customer service with the ability to know if it went quickly to customer service or if it needed to be a larger, more intense, application or investigation, and needed to go to our cannabis unit.

And then, on that same note, we've also had some questions around the ability to be able to do selling of cannabis licenses or cannabis business, and a change of location. We've never been able to do that. We've had some limitations in our application system that doesn't allow that. But we were piloting an applicant right now, to see if there's a way for us to do that without having to make huge changes in our system, or wait for SMP (Systems Modernization Project). We're trying to make some quick changes that make sense for our licensees and for our staff as well.

And then last, but not least, I think it's important to mention that the sports and entertainment facilities pilot program. So, Licensing and Enforcement -- and big thank you to Nikola Reed, she's done a fantastic job as always -- but we met with Blade and Timber to check on the pilot program. This opens our communication, gives us the ability to let licensees know how they're doing so far. It also provides us with some feedback from them so they get to tell us what information that they would like, and we want to hear from them about ways that we can do better, if we can provide more communication, if we can provide more information, and then this provides us with the licensees' perspective. We also don't want to have any surprises when it comes to the end of the pilot. We want everybody to be on the same page, and know ahead of time if there's concerns. So we both have enforcement staff, joins us on those phone calls. And as I mentioned most recently, Chandra and her staff joined me and my staff for Blade and Timber, and we have the University of Washington that we're meeting with on Friday. So a big thank you to everyone, and you can expect to hear more

I think that's it for me, thank you.

Chair Postman: I'm sure we will. Question from member Hauge?

Member Hauge: Addressing the joint transfer of a location and a cannabis license, is that for retail and processing or for all licenses then?

Ms. Smith: All licenses, yes.

Member Hauge: Okay.

Ms. Smith: Right now, we're just piloting one, because we want to know what are the concerns with our system, is it Department of Revenue, is their business licensing software speaking to our licensing software -- we just want to make sure -- what are the issues, and see if maybe we can push some things through that makes sense to do. Because we have a lot of these, and we usually have to do one first and then the other -- we have to do the assumption, and then we have to make the move, and sometimes we hear from our licensees that that's a huge issue.

Member Hauge: And I can understand that, having advised small businesses before. Anything that adds to the transaction cost can be crippling. I guess I just would hate to leave the impression that we're going to wait until the implementation of SMP to try to address this issue and facilitate this process, because SMP's been going on since I've pretty much been on the Board, I think, so I don't want to leave the impression, please, that this is going to be a problem that will take years to solve.

Ms. Smith: That's a great question, too, Russ, because that's one of the things that we thought early on, was that we'll wait until SMP, but as that was extended, there was that need. I started getting phone calls again from folks saying, "Becky, what can we do? We saw this change in alterations, is there a possibility for us to work this out?" And now, I have a licensee that's going to volunteer to pilot it, so we're going to pilot it, and figure out what the bugs are. Thank you.

Chair Postman: Great, thank you for all that. I'm glad to hear about the alterations process, too, to some that might seem like a small thing, but as Member Hauge was talking about the impacts on small business, it's a big deal, it's something that the Board just sort of wondered about, and you and your staff were able to make that happen. And you know, it just shows how we can work together with our stakeholders, with our licensees, to evolve, modernize and streamline constantly. That's what we're always doing, trying to find those places, so thanks for showing how that works, appreciate it. Thanks for all that update.

We will now hear from the Director of Enforcement and Education, Chandra Brady, I will turn it over to you.

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## **ENFORCEMENT AND EDUCATION UPDATE – CHANDRA**

Chandra Brady: Good afternoon, thank you very much, Board Members Hauge, Garret, and Board Chair Postman. As always I'll be informing you about the specific goings on in the Enforcement Division, and I invite you to tell me if there's other things you'd like to see. You'll see adjustments that I'm making along the way based on your feedback, and we're always willing to make more, so, thank you very much for that input.

Ms. Brady went on to give her Enforcement and Education presentation ([PRESENTATION 2](#)).

Chair Postman: I've got a quick one or two questions for you. First, related to CCRS, now that your education folks are going to start working with licensees who have yet to plug in, is that underway? Do

you have any sense yet of what people are saying? I'm particularly curious if we're going to see a theme from what people say about why they are a part of the 20%.

Ms. Brady: I don't have a feel on that theme yet, but that is what we are doing. We have created a plan that identifies that we will be moving into a phase once the project ends, we'll move into a phase where we really focus our education efforts on folks that haven't yet engaged with the system, and we're going to be very open about how we will progress from there. We will identify a timeline, and identify what the minimum expectations are -- just re-identify -- and we'll communicate that likely three times prior to moving past that education stage. So right now, we're just in the process of putting that in writing.

Chair Postman: You'll be informed about how to do that, I would say, when you get out there and do this education and hear what people are saying and how much trouble they're having, what is it, how can we help et cetera.

Ms. Brady: Right now the issue is that we're not hearing from them. So, once we engage and hear from them, we'll have a better idea of what the obstacles are and what role, if any, we have in helping to mitigate those obstacles.

Chair Postman: Okay, great.

Ms. Brady: You said you had a second question?

Chair Postman: I'll pause a moment for others. Seeing none, if they had -- the only thing I would say is, when you look at the year-end numbers that you just gave us, and we see how these things have gone up and down, I think you know this but just to say, the Board really understands the work that your team on education and enforcement do, how hard that has been. We see the enforcement reports where they get harassed and hassled, and other things, others where we do the ride-along and we see how they're welcomed in as helpful guides to the process, and all that. So, just know the Board is really appreciative of the work that the team does on enforcement and education, and we know how tough not just this year, but last year was as well.

Ms. Brady: Well thank you, when you say helpful guides, I have to say, that one of the most powerful experiences for me in the field -- there've been a lot of them -- but this last month has been, I met some really friendly folks in one of our cannabis retail licensees, and they spend probably a good 35 minutes, and I just got to ask stupid questions about cannabis, and the product, and it was fun, and they had a great time, and it was fun for them, and it was fun for me.

Chair Postman: I had the same experience. I learned about things like sugar crystal.

Ms. Brady: And I enjoyed it, I learned a lot.

Chair Postman: It was great. Well thank you for that, I appreciate the report.

Ms. Brady: Awesome, thank you all.

Chair Postman: See you next time, and we'll move to a communications update, with Communications Director Brian Smith.



## COMMUNICATIONS AND MEDIA UPDATE – BRIAN

Brian Smith: Good afternoon, Chair Postman, Members Hauge and Garrett, I don't have a presentation like the two we just saw, so I'll be a little more informal and brief.

Some highlights on the media front -- nothing much has changed since the updates I've given you. The last couple of months we're down to one or two press calls a day, which is very slow for us as you know, but a lot compared to most other places, because the interest is always around the work that we do, and there's a lot of things we can touch on. But, there are two significant ones that I wanted to bring to your attention, chair Postman knows that he and I, and director Garza, an External Affairs Director, Justin Nordhorn, spent a good hour or so with the Associated Press last week talking about our legislation and the issues that we're seeing with the hemp-derived CBD and synthetically-created cannabinoids. Following that, Justin and I spent some time with the Spokesman Review, who called us with some similar issues. The story from the Spokesman-Review came out today, it's fairly significant, I'd encourage you to go out and take a look at that. I did not see the one that we anticipate that's coming from the Associated Press. I think it's about what you would expect from a news article that touches different points of view within the industry as well as our own. I think we've got some our important points across, and he talked to some others that are out there in the industry, and we'll see if the AP is going to be able to get their story out, if it will be timely with our legislative hearings, starting tomorrow in the House. So of course, that's always going to be posted in the new clips, I'll make that available to you when it comes out, and you can take a look.

Moving on to general types of communications, I think it's important, I just made a note here about the projects, I'm not going to get into too many details, because you hear from people like Jim and others about the work that we're doing on our projects but just know that we're always heavily involved and that's a regular part of our work. I'm not going to get into details of all we have to do, but Jim was right, when we're trying to reach our licensees, we try to hit them in a variety of different formats, not just shoot them an email. And he had talked about the number of different ways to be able to reach folks, and it's challenging to get everybody to always be able to act, but we try and be as proactive as we can there

Second: publications. Since we last met, we released the fiscal 2021 annual report. That's a work that a lot of the divisions contribute to. It's a very collaborative process of which we all play a role in the laying out and writing a lot of the original content. Our Legislative Affairs Director, Chris Thompson, shared it with certain select legislative committees and staff, which is part of the average process on that. Interestingly, we heard from a committee chair who got back to us who read it right off the bat, which is quite positive, and had a suggestion about adding more information about where the cannabis dollars go. So, that is how that publication can be used. That's something that we used to have in the annual report, but we've made a decision a few years ago not to do that, because a lot of that money is outside our business, it's allocated to other agencies to carry out. But we did recognize that there is interest in that, and so we followed through. And, since we told you that the annual report is out, we've added an appendix to the end of the annual report, and let the legislator know, and I think satisfied her that that information is now part of this year's annual report, and that we'll continue to include I think in our annual reports.

Chair Postman: Thanks for doing that so quick, I think that's terrific.

Mr. Smith: Thank you.

We're excited to roll out our new platform for the cannabis and alcohol newsletters, beginning next week. If you remember, we jumped one issue, which was the fall issue, because we were decommissioning the tool that the agency used to roll out that newsletter. It was created for a different purpose, but we used the newsletter function of it to work -- but we dropped that whole software system, and we transitioned to Medium, which is a communication tool that Governor Inslee uses, and certain agencies use also, and it gives us some flexibility and we can use it in a real graphic format, using photos better, and design layout better. We're going to be rolling that issue out next week to cannabis licensees and stakeholders, and so we're excited to get that process started.

Part of that, we had not gone public yet with our first video that we shared with you several months ago about the rulemaking process, and how that whole thing works. We were saving that for the rollout of this set of videos, and so that'll be part of this upcoming newsletter, is releasing that video, but I'll also start the time clock for creating additional videos that we want to do about every quarter.

We met this morning with Captain Dixon from the Enforcement unit, to consider doing a third party alcohol delivery video. It's an issue that we see more and more about, concern among not only the non-licensed third-party delivery people, but the effect it has on the original licensee who'd be responsible for whatever happens with that third-party delivery service. And so, it's a growing need, and we'd like to go forward with something along those lines in the springtime issue.

And then legislative business this time of year always generates a lot of media about other peoples' bills, not only ours. As they get introduced, some of the more dramatic ones are the ones that go up and never go anywhere but they generate media interest, and they want to get our reaction to a lot of these things. I haven't really had much of anything yet, but I anticipate that that's coming, but I am involved with communications is involved with our team, and our legislative package, and how we communicate that with legislators and through the media. I'm glad to be a part of that response team.

And just lastly, just looking ahead on social equity, and what Becky was talking about, and all the work that you've done, I'm really looking forward to being a full partner on all the communications that's going to be necessary with you and Becky's team and the agency's work on SMP in the coming year. We know that there's going to be an awful lot of need on that front, but know that I'm on it and I'm ready and looking forward to be as proactive as we can, to get out the information that people are craving on this topic.

Chair Postman: That's great.

Mr. Smith: So that's it, unless you have any questions.

Chair Postman: Not from me, it looks like there are no others.

Mr. Smith: Thank you.

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## **GENERAL AGENCY UPDATE – TONI**

Chair Postman: We'll move not to general agency update with our Deputy Director, Toni Hood, with an update on the SMP -- which I don't think you're going to tell Member Hauge it'll be done by the time he's done, but...

Toni Hood: No, unfortunately no, it won't be. Good afternoon, Chair Postman, and Members Hauge and Garrett. Thank you for allowing me to give you a quick presentation, I know we're getting close on time.

Earlier today, we had a great DEI presentation. I know that some of you were there. Jim Weatherly, our DEI manager, did a great job and I was very happy to see that we had about 236 participants. This was a meeting that was not mandatory, so it was good to see all of those people interested in attending on their own. It was also recorded for anyone who had a conflict, or wasn't here today, so they could watch it. I was very happy to see all the interaction at the end of it. At the question and answer, several people made comments, they thanked Jim, and they had some questions, and it really shows that we have the opportunity to have a great dialogue and grow in that area. So, Jim really did a great job.

Chair Postman: He did, I would just say, I sat in the whole thing, one -- it was nice to see how many people stayed on for most of the hour, and Jim was fantastic. I just think he really did a nice job telling people first, who he is, what his story is, what he comes from, and it just sort of set the stage for people, to engage, and as he said, and we all know, it's never ending work, that's part of it, and he was clear about that, but I thought it was a great launch, so thanks for your part in getting that ready, Toni, it was really good.

Ms. Hood: I agree, the way he was willing to be vulnerable with 236 people is great, and it sets the stage for us to be willing to talk about tough issues. So, I hope that our staff know that you can truly reach out to him, because he is like that on and off camera, he's really like that. Very approachable.

Regarding our headquarters and regular operations work, we still have the majority of non-enforcement staff working 100% from home. We have some staff who are required on a short time basis to come in for certain items in the headquarters, certain licensing staff and finance staff have to come in during certain days. We're all being safe here in the office, we're masking up and social distancing, and everyone is cooperating with our new requirements. We all survived the snow, I wasn't here most of the time, in the headquarters building, but I was here a little bit, and I thought they did a great job maintaining everything, so that was nice to see.

Regarding our Systems Modernization Project, we are in the readiness phase right now, I am the executive sponsor of SMP right now. I am working closely with some people from Licensing and IT to work on all of our readiness requirements. That includes preparing several RFPs (request for proposal), and also includes when we're going to hire contractors based on our current open existing contracts, for example, for OCM (occupational change management), or for third-party QA (quality assurance), so we may need our change management personnel, and we need to have our quality assurance personnel, and we have some very good open contracts that we may be able to use for those. Obviously you know doing RFPs is very time consuming, and so if we have other avenues to get this accomplished, we will look at those. But the main focus is to make sure we have the right people hired and onboard for this next iteration of the project.

I have spent the last -- I have been here for 6 months -- and I have gotten a lot of feedback about lessons learned, about people, and personalities, and methodologies that people thought were successful, and ones that weren't so successful in the past. We are going through a long list of lessons learned right now, we have a long, from when the last project ended, they closed down, and there were OCM reports, and there were a lot of recommendations from the project manager and OCM personnel, about things we could do better. And so we're going through those lessons learned now, and we're coming up with solutions for those. How can we address that? How can we do this different in the future? Glenda is great about cataloging all of this, and being very disciplined, so that we can tell the OCIO (Office of the Chief

Information Officer) that we have addressed the problems that have been identified. And so, that's very important as we continue to work with the gated financing system. Member Garrett, did you have a question?

Member Garrett: Do we work with OMWBE (Office of Minority and Women's Business Enterprises), or do anything internal regarding tracking our contracting and what our percentage of contracting with minority owned businesses and state certified firms and what that's been, and what that looks like?

Ms. Hood: Apart from the SMP project, I know that Matt Hansen and his team does a lot of tracking regarding that, and also regarding all of our contracts, they track that, and they report back. I don't know if it's annually or bi-annually, though, that they report back to the agency.

Member Garrett: Thank you.

Ms. Hood: Sure, certainly, and I can follow up with more details if you like. And that's really all I have for SMP, but we really need to put resources into that to make sure that we're ready to kick off the project once the budget authorizes all of the money, hopefully. Knock on wood.

The last thing I have is that we're finalizing the refresh of the strategic plan. We just have some small edits, Edmon has done a great job of finalizing that with all the comments that were given, and then we'll be able to publish. So, thank you.

Chair Postman: Okay, great, thank you. And regarding SMP, at the steering committee meeting we had the other day, it was nice to see people's openness to talk about lessons learned. This has been around for a while, but this is a fresh start. The Governor has put in the budget request that we feel we need at this point; will we get that? It just feels different, and the conversation so different around it. So knocking on wood, but I think we're doing well right now.

Ms. Hood: Thank you, yes, we most definitely need to continue to have open conversations and lots of transparency so that we can be successful.

Chair Postman: A lot is learned in that bumpy ride, and we should take advantage of that.

Ms. Hood: Absolutely.

Chair Postman: We can do it, great, thank you for that, we appreciate your updates. We'll now turn to the agency Director, Rick Garza, for his comments.

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## **DIRECTOR'S COMMENTS**

Rick Garza: Chair Postman, Board Members Hauge and Garret, thanks for having us join in.

You know when you work with the best staff and employees in state government, it sounds repetitive, right? So I'm going to be very brief. Great updates from the divisions. I just continue to see great information shared with our Board, and with other staff here, and obviously with the public. This has already been said, Ollie and Becky continue to do great work, with respect for our social equity program. And you hear how it's on kind of aligning with different divisions and communications.

I was at the -- we don't have a lot of agency webinars by the way folks, we just don't as an agency -- but we felt, given Jim's been with us since the middle of October, Jim Weatherly, that we wanted to make sure that people understood, because Jim was going to other divisions and they were asking questions. I know recently Jim was in the Licensing Division, and they were asking questions about the program. Who is Jim? What's it all about? What are we doing? What are our action plans? Where are we going with this program? And as Toni said, I'm obviously pleasantly surprised to see two thirds of our employees present and staying on, and if you didn't get to hear it, you want go back and hear the recording, because Jim is just a great pick-up for the agency, it's just to have that experience. Toni and I have been working with him since he came here, but wow. Just really rocked today, and I think that's why everybody stayed. Because his story was his, not just our story, his story, where he came from is just kind of inspiring. With the questions at the end we went over about 15 minutes, and people stayed. So just that was as well as I could have thought it could go, it just was a testament to the fact that Jim's going to just be a great resource and a great leader in this program. And so we really, really appreciate what happened there today.

Chair Postman: Can you pause one second, I think member Garrett has got a question.

Mr. Garza: Oh I'm sorry Ollie, I didn't see it.

Member Garret: That's ok, so I was going to ask, does that make it worth it -- that we took our time, and went through several interview processes, and extended, to make sure we were getting the right person? Because I know it was a long, painful-

Mr. Garza: You know, Becky, our licensing director, was it yesterday or today, Becky, we like everyone, not just in business or private sector, but in public sector, we're having troubles recruiting. It's happening everywhere, it's happening with us. And Becky made that mention, that remember we had to wait to get the right person for DEI, and you're right, Ollie, thank goodness, we were careful, and decided that, you know, we're going to start this process over again, because we're just not satisfied with what we see. And that's how we got Jim, so you're right, absolutely right, Ollie. That's a testament to everybody that's out there trying to recruit, we've got to up our recruitment effort just like everybody does, to get people here. But let's make sure we make the right choice, and Becky just talked about that.

Then, OMWBE, Ollie, you just talked about that. What I'd like to do is ask Jim and Matt, who is our risk manager, to come and talk about where we are with that contracting piece of it. Because OMWBE obviously gives us a report, every year, of how we're doing. And then I know that Jim and Matt and others are looking at those, to up our numbers, just like I know, because we get awards for it, but our vet population is huge, the number of vets that we have in our agency. But we'll bring that back to you Ollie, as another piece that Jim can bring back at our next EMT, just to kind of share with you the report that Lisa sends to us, the Director there, of how we're doing, and where, and the efforts that Matt and Jim have taken to increase those numbers, so thanks for bringing that up, and we'll keep note of it and we'll bring it back to you again.

Member Garrett: And also, take a look at, make sure our agency takes a look at the new -- the rescinding of the Executive Order that the Governor did last week, and then the new Executive Order that's being put out...

Mr. Garza: Yes, we'll take a look at that, Ollie, and that's all I have for this afternoon. If you didn't see Jim Weatherly's employee spotlight that was done on our intranet site, you've got to go see it, it's really kind

of cool, and it explains why we had such another good day with him today, with our agency, so I'll stop there, if there's any questions, thank you.

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### **ADDITIONAL TEAM UPDATES**

Chair Postman: Okay, and we'll just pause to see if there's any other updates from your team that we didn't hear, anything that was missed? Not seeing any hands shooting up, I'll just see if Board members have had any final questions or comments? And not, we shall adjourn the Executive Management Team meeting for January 12. Thanks everybody, have a great day.

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### **FUTURE AGENDA ITEMS / TAKEAWAYS**

- OMWBE/Diversity report
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Meeting adjourned at 3:29pm.

Minutes approved this 9<sup>th</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