



## **Board Caucus Meeting**

Tuesday, February 1, 2022, 10:00am

This meeting was held via web conference

### **Meeting Minutes**

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#### **CAUCUS ATTENDEES**

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

#### **GUESTS**

Jonathan Pitel, Senior Counsel  
Rick Garza, Executive Director  
Kathy Hoffman, Policy and Rules Manager  
Jeff Kildahl, Policy and Rules Coordinator

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#### **EXECUTIVE SESSION**

At 10:01am Chair Postman announced the Board would go into Executive Session. He anticipated the Executive Session would conclude at 10:15am.

At 10:15am Chair Postman announced the Executive Session had concluded.

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

MOTION: Member Garrett moved to approve the January 25, 2022, Board caucus minutes

SECOND: Chair Postman seconded.

ACTION: Chair Postman approved the motion.

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#### **AGENCY UPDATES**

Rick Garza: Well, so much of the work, Mr. Chairman and Board Member Garrett – I really want to, very briefly, because I know we'll get a chance next week to get a briefing from Chris on the legislative session – the committee cutoff for bills out of the policy committee is Thursday, so it'll be timely for him to come to you and let you know how we're doing. Our two agency request bills – one has to do with lab testing and the other is the cannabinoid bill – are moving through the process. We'll know more in the next day or two. The cannabinoid bill that is so important to us has moved out of the House committee and may move out of the Senate committee, we'll know in the next day or two.

We've been meeting with legislators and leaders of the committees, David and I and Chris and other whenever needed, as far as staff, to help inform and educate about our bills and the other ones that are out there. It's been going very well, there was a hearing on the social equity bill last week. We testified in

favor, there were a lot of people in favor and obviously some people that were against that bill, so we'll see where that's going.

The good news is that our bills are moving forward and those bills that we've had concerns with don't appear to be moving forward. I'll give Chris the opportunity to give you more detail once we're through the committee deadline.

Also, if you haven't had an opportunity, please go to the Tacoma News tribune this morning. You'll see there's an [opinion editorial](#) from David Postman, our Chair, which very eloquently shares some of the concerns and issues we've had in the last year – not only with the proposal to amend the Board and change the Board and restructure the Board, but also how that deals with the issue around the cannabinoid legislation that we have and others that have a different path that they want to follow. So, we really appreciate the work of the staff and David in putting together that opinion editorial. I think it really eloquently speaks to the issues and the frustration with the issues that we've had with some sectors of our industry – though we know, and I think you speak to it, David, most of our industry on the cannabis side has been supportive of the cannabinoid bill and opposing the change to the structure of the Board. Again, we appreciate all the work that you did and the staff and Brian and Communications to share out point of view on all this. Thank you, David, and with that I'll take any questions you might have.

Chair Postman: Thank you, Rick. Member Garrett, anything to add on the legislative side or on the social equity bill?

Member Garrett: No, not at this time.

Chair Postman: Thanks for the comments, Rick. I think it's something we've talked about here from time to time that we rely on facts and are happy to share them with people and we know there are policy disagreements. It's interesting that other people in the industry who oppose those bills, did so by saying that they didn't want their testimony to be read as 100% agreement with everything the LCB does. We know we have disagreements. We have policy disagreements and debates at times, but we're able to keep talking about it and working it out and that's the way it should work. So, I appreciate those that came forward to the legislature to share their thoughts.

It's been a good week, it'll be interesting to hear from Chris next week to see where things stand and what the second part of session will look like for us. Hoping that THC bill in particular of the agency's keeps going and appears to be the vehicle for the proper way to address regulation of these emerging compounds. Good work on all of that to you, Rick and staff.

Mr. Garza: Thank you.

Chair Postman: We'll move now to our next item which is Board meeting prep and rules update. I'll turn it over to Policy and Rules Manager, Kathy Hoffman and her "A-Team".

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## **RULEMAKING UPDATES AND BOARD MEETING PREP**

Kathy Hoffman: Thanks very much, Chair Postman. Good morning to you and Member Garrett. I'll do a brief update on timelines and then we do have three things happening at the Board meeting tomorrow, so I'll kick it over to Jeff to give you a little debrief on what he'll be presenting tomorrow and then Robert right after that.

I'll start off on where we are with alcohol rules. A "listen and learn" session is scheduled for this week, Thursday at 10am, with respect to the axe throwing rules project. There's still feedback coming from licensees and others with respect to those conceptual draft set of rules, but that has slowed to a slow trickle from what we were seeing before. So, we're looking forward to that "listen and learn" session this week.

On the horizon of the alcohol side, is to do some general liquor rule updates. There are some language changes that we need to make that are non-substantive but technical, aligning some language and removing some language that needs to be repealed, those sorts of things. There are things that staff have reached out to us to say "this is duplicative", and so we're going to try and tackle that this year, assuming there isn't an overabundance of rulemaking that comes from the legislative session this year.

Any questions on that before I move to cannabis rules?

Chair Postman: No, thank you.

Kathy Hoffman: I'll move on to cannabis rules.

There is a hearing for the CR 102 for the quality control rules. Jeff will speak to that in a minute. We've received 25 written comments so far as of yesterday. We're trying to keep the focus of this rule project on quality products and consumer safety, and really making sure that medical patients' needs are met and that product safety controls are consistent with the rest of the nation. I'll let Jeff speak to that a little more once I sign off.

Jeff will also be presenting a CR 101 to open up WAC 314-55-108, with respect to pesticide action levels. This is just a technical update that needs to happen with moving the quality control rules forward.

With respect to social equity rules, we continue to work on the draft conceptual rules in that space. We do anticipate an educational session, more on how to engage with the LCB on rulemaking towards the end of February. At this point we are holding the evening of February 17 for us to have a session that will invite community to talk to us – or at least we can have a dialogue about how they can become engaged in the rulemaking process, so they can become involved in the change that the social equity program will represent to them and our stakeholders. We're looking forward to that. We are, in fact, going to bring the CR 102 rule package to you at the end of April. Again, this an aggressive timeline, but I think it's doable in our current environment.

And the, we are holding rule coordinator space for implementation of whatever happens in this particular legislative session. We do anticipate there will be some significant rulemaking activity that emerges from the session.

Any questions?

Chair Postman: One quick one. If there is legislative action that requires rulemaking, does that mean you have to start with a new CR 101?

Ms. Hoffman: No.

Chair Postman: Ok, so you can adapt to it as we move along.

Ms. Hoffman: Yes, unless there is something in the legislation, and it think on the legislation sponsored by Representative Morgan, we actually added an amendment, or asked for an amendment last year, that would allow us to engage in an expedited rulemaking process. Meaning, we would make all the changes

that were needed, and that is changing one word throughout 314-55, we can do that without a public hearing if the legislation mandates that.

Chair Postman: Okay, good.

Ms. Hoffman: That's one instance where we wouldn't start with a CR 101, because it's legislatively mandated.

Chair Postman: Thank you.

Ms. Hoffman: Finally, with respect to general rulemaking, I believe Robert will be presenting the CR 101 that would open up rules to contemplate electronic service. It's largely a technical rule project that would create efficiencies for both the agency and for our licensees.

So, I'm going to kick it over to Jeff to speak a little on what he will be presenting specifically tomorrow, and then Jeff if you will kick it over to Robert that would be great.

Chair Postman: Thank you.

Jeff Kildahl: Thank you, Kathy. Good morning, Chair Postman and Member Garrett.

Tomorrow I will be presenting a CR 101 preproposal statement of inquiry to allow the Board to make some updates to WAC 314-55-108. This section regards pesticide action levels. This rulemaking is needed to update some of the information about the pesticides that are listed in a table in that rule section. We also need to update rule language to change the term "quality assurance testing" to "quality control testing" so that it will be consistent with the quality control rules. This rulemaking would also update rule language concerning remediation of failed marijuana lots and will also eliminate redundant language in the WAC section. This will be a very narrowly focused CR 101 to allow just for those changes we anticipate.

Are there any questions on this?

Member Garrett: No.

Chair Postman: Not so far, thank you.

Mr. Kildahl: Thank you.

Also, we will be holding a public hearing for the CR 102 for cannabis quality control testing – WAC 314-55-101, 102 and 1025. This rule change would change current rules to require that all marijuana products produced and sold in Washington State would be tested for pesticides in addition to the current suite of I-502 tests. This rule package also allows for the Board to conduct investigation driven or randomized screening for heavy metals.

We have been receiving more comments in the last few days, we're up to around 30 written comments received so far and they are continuing to come in. Some comments are in support of the larger testing lots and some other comments are concerned with the initial costs of having the pesticide testing required. It's good that we are getting more comments as we approach the hearing date.

That is the summary, if you have any questions I'd be happy to answer them. Thank you.

Chair Postman: Thank you, especially for your work on quality control. I'm sure it feels like – I think you've been doing that since the first day you showed up here. I know it's been a big project, and as we get

closer people are really opening up, and I think that's good. We really do want to hear from them. I'm glad we're on a timeline and are going to get it done. We appreciate the way you've been able to take this and synthesize and come up with, what I think tomorrow people will see, is, a really well thought out package. Thank you for that.

Mr. Kildahl: Thank you Chair Postman.

Chair Postman: Now I think we're turning it over to Robert?

Mr. Kildahl: Yes, please, I'll turn it over to Robert now, thank you.

Chair Postman: Great. Good morning, Mr. DeSpain, how are you?

Robert DeSpain: Good morning Chair Postman and Board Member Garrett. I'm doing well, thank you. It's good to see both of you.

This brief is brief. It is related to request for approval to file a CR 101 related to electronic service and filing rules. The WSLCB is considering creating or amending sections in 314 WAC to allow to electronically serve notice and accept documents related to license applications and appeals. The memorandum and tentative timeline are going to be brief tomorrow during the Board meeting, so I thought today I would open it up briefly to allow for any questions or comments either of you might have on this process.

Chair Postman: From me, another thank you. This is of high importance to the Board staff. So, I'm sure they're watching carefully and thank you for your engagement with them and from around the agency to make this happen. It's a great process improvement and I'm glad we found time to get it on the agenda for you as well. Internally, it's exciting! We appreciate it.

Mr. DeSpain: If there are no other questions, I'll keep this brief and I look forward to the Board meeting tomorrow.

Chair Postman: We'll see you then, thank you.

Member Garrett: Thanks, see you tomorrow.

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## **BOARD MEMBER AND EXECUTIVE ASSISTANT REPORTS**

Chair Postman: That brings us to Board Member and Executive Assistant reports. I will start with you, Member Garrett, anything to share with us today?

Member Garrett: I was going to share – I don't know if you recall, a couple weeks ago in one of the hearings, someone came forward and brought up something to do with extortion.

Chair Postman: Yes.

Member Garrett: My name was mentioned. I have no idea who that person is and have never seen that person before. Although they mentioned the name of someone I do know, Nate Miles, I reached out to him to ask why my name was linked to something – he did mention that he knew who they were and he had inadvertently mentioned that he knew me. So, that's how my name got thrown in. I was a little surprised, so I just wanted to address – I have no idea what that is about.

Chair Postman: Nor did anybody else. It's unfortunate that people come and say things in a public meeting that are so blatantly false. I appreciate that you spoke up today.

Dustin, anything from your desk today?

Dustin Dickson: No, thank you, Chair.

Chair Postman: With that, we will adjourn the Caucus meeting for today. We'll see you tomorrow for the Board meeting and public hearing. Thank you everybody.

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Meeting adjourned at 10:33am.

Minutes approved this 15<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 to the Board