



Washington State Liquor and Cannabis Board Meeting

Wednesday, March 30, 2022, 10:00am
This Meeting Was Convened Via Web Conference

Meeting Minutes

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, March 30, 2022. Member Ollie Garrett was also present

2. APPROVAL OF MEETING MINUTES

MOTION: Member Garrett moved to approve the March 16, 2022, Board meeting minutes.

SECOND: Chair Postman seconded.

ACTION: Chair Postman approved the motion.

3. CANNABIS RELATED RULEMAKING

ACTION ITEM (A)

ACTION ITEM 3A - Board Approval of CR 102 for Pesticide Action Levels

Jeff Kildahl, Policy and Rules Coordinator, began the briefing with materials (HANDOUT 3A).

Jeff Kildahl: Good morning Chair Postman and Member Garrett. Today, I would like to request your approval of a CR 102 package proposing amendments to current rules in WAC Section 314-55-108, concerning cannabis pesticide testing action levels.

These proposed rule changes would update technical chemical isomer information in WAC 314-55-108 for several pesticides currently allowed for use in the production of cannabis. Other changes to this rule would update rule language to ensure consistency with recently adopted cannabis quality control testing rules, including removal of language concerning the remediation of cannabis products that have failed quality control testing. Finally, the proposed rule amendments would remove redundant language from the rule and would replace the term “quality assurance testing” with “quality control testing”.

We received approximately six written comments regarding the CR 101 for this rulemaking. The comments have been collected in a table and included in this rule package as “Attachment A”.

The CR 101 for this project was approved and filed on February 2, 2022, as WSR 22-04-116.

Tentative Timeline

March 30, 2022	Board is asked to approve filing proposed rules (CR 102). CR 102 filed with the Office of the Code Reviser. LCB webpage updated and notice circulated by rules distribution list. Formal comment period begins.
April 02, 2022	Notice published in the Washington State Register.
May 11, 2022	Public hearing held and formal comment period ends.
May 25, 2022	Board is asked to adopt rules if no substantive changes are made (CR 103). Concise Explanatory Statement provided to individuals offering written and oral comment at the public hearing, and during the formal comment period, consistent with RCW 34.05.325. CR103 and adopted rules are filed with the Office of the Code Reviser. LCB webpage updated and notice circulated to all WSLCB GovDelivery subscribers.
June 25, 2022	Rules are effective 31 days after filing (unless otherwise specified).

Mr. Kildahl: That concludes my presentation. May I answer any questions on this rulemaking?

Chair Postman: Any questions Member Garrett?

Member Garrett: No.

Chair Postman: Maybe we've talked about this, but for everybody's sake of clarity here – this is essentially a trailer measure to the bigger quality assurance work that you've been working on for so long.

Mr. Kildahl: Yes.

Chair Postman: This is really, the more technical side of it, in clarifying some of the language. The adoption of this isn't changing in any way what we did with the big package for quality assurance. Am I understanding all of that right?

Mr. Kildahl: Yes. That is really correct. The changes to the technical language concerning isomers was something that needed to be done, just to bring the information current regarding the chemistry side of this. And then the other changes are to make sure that the section conforms to the rule changes in 314-55-101 and 314-55-102. It's just lining it up so there's not a conflict there.

Chair Postman: Great. We appreciate that. Seeing no more questions I'll ask for a motion to approve the CR 101 for pesticide action levels.

MOTION: Member Garrett moved to approve the filing CR 102 for Pesticide Action Levels.

SECOND: Chair Postman seconded.

ACTION: Chair Postman approved the motion.

Chair Postman: Thanks, Mr. Kildahl.

Mr. Kildahl: Thank you.

4. GENERAL PUBLIC COMMENT

Chair Postman: This is the part of the meeting where we take general public comment. A couple of reminders – each speaker will be given four minutes to talk, at three minutes and thirty seconds you'll be reminded by the time deadline coming up by Dustin, he's going to break is so be prepared for that. When you hear him, just realize that means you have 30 seconds left, so if you could wrap up that would be great so we can get through everybody with a fair amount of time. We ask you to say your name and affiliation clearly for the record. And, as always, all our meetings are recorded and you'll be able to find this online soon after we are done. Sometimes it takes a minute to connect each speaker, so we'll be patient if you will as well.

Our first speaker signed up this morning is Christopher King.

We are not hearing you at this point, Mr. King.

Conversation continued regarding Mr. King's connection to the web platform. He was unable to connect.

Chair Postman: We're going to come back to you, Mr. King, in just a second. I'll move to our next person signed up – Sami Saad.

Sami Saad – 12 Green

First of all, I want to speak about – you know, we go into limbo every time. We are the people, we've been lost our shop because of racism from the LCB. I am one of those – the first black people owning those shops. My respect for all of you guys, but it seems you guys are not solving this problem. And I told you guys – a lot of protests – it was in front of Uncle Ike's – thousands of people there. A lot of people no mask and they say those shops been robbed because there is no equality and you guys putting people in danger.

You guys talking now about safety, and this is part of those shops being robbed. About the hate. This is damaging the community. And the General Attorney, he should know that was going on.

And without you guys acknowledging us, those previous shop owner, we lost thousands of dollars. Thousands of dollars. More than \$150 thousand, that's my loss. We've been renting shops. We've been before 2010, we've been in this business, before the LCB. None of us been acknowledged yet.

And you guys say we have additional shop, and it was the thirteenth shop, it was in Olympia, back then. And the bill fail, it should fail, and they still make it pass. And they promise they're going to have a social equity group. We've been used by those groups. As I've been used before that by Ollie Garrett – she is with you guys representing us, but she don't represent us, she's not for us. She had told be publically "I will help you, Mr. Saad, let me get your information". I call three weeks later, she say "do not call this phone ever again". Are you guys kidding me? This is the same thing the social equity group, they make with my community.

I am Sudanese-American. I am black, yes. But I am from somewhere else. We have more than 65,000 Washingtonian. Can we be acknowledged and get my weed shop? Or whatever you call it, professionally? Marijuana, or cannabis, as is being said to be legally?

We've been exist before anyone. I still file my taxes with the state as zero. So, I've been current.

Second thing is, a lot of bad marijuana on those shops because it's not good. You guys should acknowledge that and go randomly to those shops to be tested. You know they have a lot of bad stuff messing up people and people getting sick. You guys have to be careful.

Second thing is, you guys should know that. I'm going to tell you guys that publically. 80% of the product on the shelf comes from the black market and they repackage it. So, there is no quality in this. This is if it's been moldy, or stay longer, it affects people. We've been knowing about growing since growing up. We have farms we grow. We used grow marijuana on the side for all personal use. My uncle used to do that in our own farm, my father owned it. So, we're not better than anyone, but there's a lot of bad stuff in the market.

The second thing is, we are not being acknowledged yet. Are you guys aware of that? That's why we filed the lawsuit. We want to work with you guys but nobody wants to work with us.

Dustin Dickson: Sami, you have 30 seconds.

Mr. Saad: Nothing against anyone, but it's not right. We've been left. And we're being cut off, and we're being used. I own 12 Green since day one, before the LCB. Are you guys going to acknowledge us on those licenses? Not even the 300, the 39 licenses. Just like Uncle Ike's and uncle whatever, they all white. Nothing against white. The other thing is too, I mixed with a little Jewish. There's no Jewish...

Mr. Dickson: Sami, that is your time.

Mr. Saad: ...But mostly for the Israeli people. Why? That's not fair. I'm not against them but...

Mr. Dickson: Sami, that is your time. Your four minutes is up.

Mr. Saad: We are not being acknowledged.

Chair Postman: We're going to have to move on to our next speaker. Let's go back to try Mr. King, are you there?

Conversation continued regarding Mr. King's connection to the web platform. He was unable to connect.

Chair Postman: We'll come back to you again, Mr. King. Next person signed up is Mike Asai.

Mike Asai – Emerald City Collective Gardens

Good morning Board Members. I'm Mike Asai with Emerald City Collective Gardens. I was there yesterday at the roundtable. It was very touching, but I didn't get a chance to speak so I just want to speak about that today.

Once again, I want to give my condolence to the Jordan Brown family and his friends. It's very sad, every time I see that young man's picture, I think about my son and other youth like him. I'm not sure if he's African American, but he looks as if he's African American, looks Black, or mixed with something. Race doesn't matter, but it's just very touching – even more for me – for a young man, especially considering if he's a young Black man.

The pandemic – I just want to touch on a few things – the pandemic has led to a lot of pain in the BIPOC community. A lot of former medicals like me were out of the business, so a lot of youngsters here are upset about that – considering the pandemic, the economics, considering the Black Lives Matter movement that was really strong two years ago, I feel that the youth – and I know this personally since I speak with a lot of them – they just feel there's nothing being done when it comes to Black empowerment and Black justice. It just seems like it's back to status quo. And so, I think a lot of youth are seeing this and they're just angry.

I don't condone what is going on, let me just say that. Emerald City Collective, Black Excellence, a lot of us – we don't condone what is going on with the violence. We understand it, but we don't condone it. And I will just say the best way to go about and that you're upset with is try and go through the courts.

Senator Keiser, she talked about levels of entry. As I said before, being in the medical days, we had two to three levels of entry at most locations. As it's become recreational over the years, I've always kind of cringed, like, wow – it's just kind of out in the open and you can see from outside. Back in 2015 and 2016, the LCB never met with medical dispensaries, to my knowledge, about security. We were able to keep safe access. In 2014, there was a handful – I don't know the exact number – but a handful of current retailers who wrote a letter the City of Seattle and Ed Murray. They stated things that were untrue, about robberies, about unsafe access – they painted a picture about collectives and medical dispensaries that was inaccurate. It was very disrespectful. I came across this information recently, and to see that – and to see that we have current retailers stating things that were going on in the medical days that was absolutely not true – there was not robberies like there is now, like I said, we had levels of entry and security – and to see the things that were stated back then are actually happening now. There were statements about being able to use banking systems. This is a big issue right now, because we're not able to use banking systems.

Mr. Dickson: Mike, you have 30 seconds.

Mr. Asai: Okay, I'm going to have to write this in, then. So, the cash is not only a problem. Let me, at the end here, as I see what needs to go forward – armed security, as everybody agrees. Some type of two levels of entry. IDs need to be scanned just like in night clubs and other venues so if there are issues later on they can go back and see who came in. I know this is going to be a touchy issue, but right now should be no masks worn coming into recreational – even though we've had a mask mandate. It should be, just, no masks. Casinos...

Mr. Dickson: Mike, that is your time.

Mr. Asai: Casinos, when you go in, they tell you to remove your mask to put you on camera. Thank you for your time this morning. I will write everything that I had in more to say.

Chair Postman: Thank you. We appreciate your comments. Banks, obviously, pre-pandemic had the same rules – can't wear a hat, can't wear masks. I appreciate the thought there.

Going back to Christopher King.

Conversation continued regarding Mr. King's connection to the web platform. He was unable to connect.

Chair Postman: You keep trying. While you try, we'll move on to Libby Haines-Marchel.

Mr. Dickson: Chair, Libby did register to speak but is not online with us today.

Chair Postman: Okay. Kevin Shelton, are you with us today?

Conversation continued regarding Mr. Shelton's and Mr. King's connection to the web platform. Neither were able to connect.

Chair Postman: Now, we'll keep going, but we'll always come back and check again. The next person up is Jeremy Moberg.

Jeremy Moberg – CannaSol

Good morning Board Members Postman and Garrett, thanks for the opportunity to comment this morning. I'm a little under the weather, excuse my voice.

Regarding the CR 102 that was passed today, I hope that the allowable pesticides that have action limits – that that issue is addressed. It's sort of an untenable situation to have allowable pesticides with an action limit with really harsh penalties for being over those action limits. So, you're telling a farmer they can apply according to the label and still run amok of the current rules. This has been a long standing issue and I hope that the CR 102 addresses that.

I'd also like to comment on the – I was recently visited by my LCB Compliance Officer, actually yesterday, who collected pesticide samples at my farm. We've heard in our organization that many people have been visited. We applaud this. This is the right way to have approached the pesticide testing issue. It's third-party sample, there's no cost to the industry and it really cannot be cheated.

We hope that the LCB continues to look at the CR 102 regarding pesticide testing and the impacts its having on small businesses, small-batch producers, and the fact that it relies on self-selection. The third-party is the right approach. The adopted rules with self-selection at the lot level are detrimental to small businesses, beneficial to large businesses, and we really hope this can be addressed.

I used to be a biologist, and as a biologist we used adaptive management, meaning that we adopted actions and then we saw what the effect was, and then we adjusted accordingly. And if we see that there are really no pesticides being found through the program, the program should be reduced because the cost is heavy.

I'd also like to comment on the expected canopy guidance that we're expecting from the LCB. This needs to come out really soon. People are currently planning – we're very encouraged by this. For a long time, people did not think that the LCB enforced these canopy rules. They even built out pens to be four acres. We're very, very hopeful that this will lead to everybody playing by the same rules – everybody growing 30k square feet – and that could help with the poor market conditions.

All of this would be for naught, if as rumored, Tribes are currently building out 1M square foot facilities and are able to sell to all 502 retail outside of the canopy. It is extremely unfair to regulate licensees under all these restrictions, including canopy, and then allow a Tribe through the Tribal Compacts – which, by the way were negotiated without any input from licensees and are not even understood by licensees – for those entities to be able to sell outside of the production limitations, straight into 502 non-Tribal stores. I hope that we can begin to have this conversation, we can assess what that impact is, now that we see actual investment in extremely large – one million square feet – which at the beginning of this industry was nearly half of the production...

Mr. Dickson: Jeremy, you have 30 seconds.

Mr. Moberg: ...needed for the state. So, it would be an untenable situation for these Compacts to allow unfettered production outside of the regulatory restrictions to compete with those that are under these restrictions. I hope we can begin to talk about that and what the impacts will be on producers.

Thank you for your time today.

Chair Postman: Thank you for your comments. We'll finish the list here, and then go back to those with technical difficulties with. Peter Manning is the next person on my list.

Peter Manning – Black Excellence in Cannabis

Good morning Mr. Postman and Ollie Garrett.

I wanted to address some issues – I also attended the meeting yesterday. This is what I think we've got to realize is – I was involved in the cannabis industry since 2004. I had a bout with glaucoma, my optometrist prescribed – I was getting these infections from the topical solutions from my eyes and whatnot – but, to make a long story short, I became an acting member in the legalized version of 2011. And then I had a medical dispensary in Seattle for quite some time. I was also a grower as well.

I never had robbery or anything. There was a good three years that there was no upset, no imbalances anywhere in that industry. I think that when the LCB took over and Black people were excluded, this kind of put an animosity between us and the community. I really believe – I don't condone any actions such as robbery, I think we should deal with the situation through the courts – but, the system is sick. You create this situation where the dispensaries can't put the money in the bank. They are cash, now. You also have a system to where it's predominately in Black neighborhoods that – where Black people see these people making money and they're not allowed or included in that.

I personally think that the LCB should go out publically, in some platform, and apologize to the Black community and try to make amends and say "hey, look, we know this is not right, what has happened and we're trying to make amends for it". I think that would relieve some of the pressure, because the sentiment in the street is, "we weren't included so they don't care". That's not where we should be as a people, as a group. We should all work together and correct the wrongs, and we should probably make

sure that we let the Black community know there's a pathway that we're trying to make it work for all of us. They're not really seeing that, right now. So, if there is some way we could put something together, like a newsletter or something, from the LCB to say "we're trying to include everybody in the system now, can we get a little more room, can we stop the robberies and can we have peace". That's what I suggest.

Once again, I don't condone it. I am happy with the system and how it works. I do support Ollie Garrett, because I know her position. I know the journey she has taken to make things happen for us, for the better. I know that just because of years of experience in dealing with her. I've seen some of the things she's accomplished to get us to where we are at. So, I think people need to be more educated in that field, too. Being that she's the only Black woman on the Board, I think that they think she's superwoman, but they need to understand that she needs to fight certain barriers just like we have to fight barriers just to be included in this industry.

Mr. Dickson: Peter, you have 30 seconds.

Mr. Manning: With that being said, I'd like to wish everybody a farewell, and peace.

Chair Postman: Thank you. We appreciate that. Let's go back and try Christopher King one more time.

Conversation continued regarding Mr. King's connection to the web platform. He was unable to connect.

Chair Postman: We'll try Kevin Shelton again, but then we'll have to move on.

Conversation continued regarding Mr. Shelton's connection to the web platform. He was unable to connect.

Chair Postman: I think that neither Mr. King or Mr. Shelton are able to connect here. Let me take a second to address a few things. I don't want to get into a long conversation at this point because we are still waiting for those two members of the public to get a chance to talk.

Jeremy Moberg mentioned the Tribal Compacts. One, I haven't heard that rumor. I try not to work on rumors. I don't know that there's any – I do want to say, though, about Tribal Compacts – you mentioned that they were done without input from licensees or stakeholders. That is correct. These are government to government negotiations. Tribes are sovereign governments and they come to us in a government to government consultation and negotiation to agree to those Compacts. Some go easily, and if you've heard in some of these meetings, some of them take a very long time to come to an agreement. We have, I believe 20 today – that seems high but I think that's right – and they've been successful and have helped these sovereign governments take part in the industry in a responsible way. The Tribes have been very responsible members of the industry, I believe.

Then, just quickly, Mr. Manning I always appreciate your comments. I think the LCB has made very clear statements about the need to change the path – largely in the work the agency did before I got here, going to the legislature and asking for a social equity piece of legislation, led by Member Garrett and supported fully by staff and other Board Members here, including our former colleague Russ Hauge. There was a lot of pushback on it, and we continue to do that even up through this latest legislative session where our staff was working as close as possible with the sponsors of the social equity bills – both the Community Reinvestment Act, which we helped get ready, and the other issues around licensing.

So, we continue to do our licensing work regardless of what the legislature does. There was a long “listen and learn” which I know some of you were able to attend. I did not because Member Garrett was there for us. We’ve got our heads down. We’re doing it. We’re working it. We’re doing it with the leadership of Member Garrett.

Anything to add, Member Garrett, before I try these guys again?

Member Garrett: No, you said it. I want to thank Peter Manning for his comment.

With the comment from Sami Saad – I just want to clarify that after daily phone calls, and the way that normally states, but didn’t today, is that I said “when I have something new to tell you, I will call you. You don’t have to keep calling me”. He didn’t say it that way today, but that is the accurate statement. And, our staff did personally call him and met with him and went over his situation. So, thank you and thank Peter.

Chair Postman: Thank you for the clarification on that.

We’re going to make one last round here and see what we can do. Mr. King, are you with us? You are unmuted but we’re not hearing or seeing you.

Conversation continued regarding Mr. King’s connection to the web platform. He was unable to connect.

Chair Postman: Mr. Shelton, are you there?

Conversation continued regarding Mr. Shelton’s connection to the web platform. He was unable to connect.

Chair Postman: My apologies for that. I’m sorry the two of you weren’t able to join us today. As always, you can send us your written testimony and Dustin will share it with Member Garrett, myself and staff. We of course invite you the next Board meeting in two weeks as well, to try again. I hope that we’re able to figure out what is going on with this connection or lack thereof.

With that, I’ll thank everybody for their attendance and participation today. Thanks everybody, we’ll see you next time.

ADJOURN

Chair Postman adjourned the meeting at 10:34am.

Minutes approved this 13th day of April, 2022.



David Postman
Board Chair



Ollie Garrett
Board Member

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

LCB Mission - Promote public safety and trust through fair administration and enforcement of liquor, cannabis, tobacco, and vapor laws.

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