



**Marijuana Control Board
Meeting Minutes
February 2, 2017
First Judicial District
State Office Building
333 Willoughby Avenue
Conference Room 9A
Juneau, Alaska**

Board Members Present:

Peter Mlynarik, Chair, Public Safety Member
Mark Springer, Vice Chair, Rural Member
Brandon Emmett, Industry Member
Nick Miller, Industry Member
Loren Jones, Public Health Member

Staff Members Present:

Sara Chambers, Acting Director
Sarah Oates, Program Coordinator

Legal Counsel Present:

Harriet Milks, Assistant Attorney General

● **ADMINISTRATION**

- A. **Call to Order** **9:15am**

- B. **Selection of Board Chair** **9:18am**

Peter Mlynarik informs the Board that the new regulations require that selection of the Board Chair occur at the first meeting of each year.

*Mark Springer motions to reelect Peter Mlynarik as the Chair for 2017.
None opposed, motion carries.*

*Peter Mlynarik motions to have Mark Springer continue as the Vice Chair.
Nick Miller seconds the motion.
None opposed, motion carries.*

Brandon Emmett states that he read in the packet that the Board may select an individual to represent the Board during legislation and asks if the Board could do that at this meeting. He states that he would like to nominate himself.
Mark Springer states that because it's an agenda item under Board Governance, that they should cover it then.

C. Approval of Agenda 9:20am

Mark Springer motions to approve the agenda.
Brandon Emmett seconds the motion.
None opposed, motion carries.

D. Approval of July 14, 2016 Meeting Minutes 9:21am TAB 1

Mark Springer motions to approve the July 14, 2016 meeting minutes.
Brandon Emmett seconds the motion.
None opposed, motion carries.

E. Approval of December 6-7, 2016 Meeting Minutes 9:22am TAB 2

Mark Springer motions to approve the December 6-7, 2016 meeting minutes.
Brandon Emmett seconds the motion.
None opposed, motion carries.

● **DIRECTOR BRIEFING**

A. Director's Report 9:23am TAB 3

Sara Chambers provides the Board with updates regarding staff, Board member reappointments, legislation affecting the Board, and the upcoming legislative audit. She makes the recommendation for the future that the Board consider receiving financial updates during the meetings.

● **PUBLIC TESTIMONY**

A. Period of time for public testimony on issues not on this agenda. 9:26am
Please phone 1-800-315-6338 code 69173#.

Cary Carrigan, Executive Director of the Alaska Marijuana Industry Association, provides testimony regarding transportation of marijuana in the state of Alaska, and the length and frequency of Board meeting dates.

Jana Weltzin, owner of JDW Counsel, provides testimony regarding struggles with transportation of marijuana by licensees.

Bryant Thorp, Arctic Herbery, provides testimony regarding the same issues with transportation from one licensee to another.

Lulu Small, employee of an establishment, states that she supports an application being passed.

Derek Morris, General Manager for Herbal Outfitters in Valdez, provides testimony regarding transportation of marijuana by licensees.

Destiny Neade, owner of Frozen Budz, provides testimony regarding transportation of marijuana by licensee.

Music and background noise in the background forces the Board to hang up the phone and call back in.

Holly Sheldon Lee, resident of Talkeetna, provides testimony regarding the downtown community of Talkeetna and states that it is not okay to have a retail store there.

Constance Twitt, resident of Talkeetna, states that she does not feel that main street should have a pot store.

Steve Bush, resident of Talkeetna, provides testimony about business people, the town, and distances from schools and churches.

Jess Valentine, Talkeetna resident, provides testimony about Borough laws and State laws regarding distances from churches and schools.

● **BOARD GOVERNANCE**

9:59am

TAB 4

Sara Chambers requests that the Board members update any disclosures of conflicts of interest and reminds the Board members of the Executive Branch Ethics Act.

Mark Springer states that he does not have any financial interests or disclosures.

Nick Miller states that he is the Chair of the ACBA in Anchorage.

Brandon Emmett states that he has had some communication with a licensee in a consulting capacity pertaining to testing. He states that he had attempted to provide some direction to the individual as a consultant and fellow industry member, and not as a Board member, which resulted in that licensee and another licensee receiving notices of violation. He states that he will no longer be considering any sort of a consulting role or speaking with anyone in the industry pertaining to anything that has to do with marijuana regulations or the activity of this Board.

Loren Jones states that he is a sitting member of the City Assembly for a City & Borough of Juneau and says that he does vote to take action on license applications, and that he has voted on one application that's on this agenda.

Peter Mlynarik states that he does not have any financial interest.

Brandon Emmett states that he read in the Board Governance tab that the Board appoints a speaker for legislative session. He states that he is a cannabis expert and has significant experience in the legislative process, and that he would like to act in that capacity for the legislature.

Mark Springer states that he is not aware of anything that is currently filed that was championed by the Board, and that although the Board submitted legislative requests last year, that the Board did not make any legislative requests this year. He said that he does not see the need to have a Board member testify to the legislature at this time.

Sara Chambers states that the Board must vote on the record during a public meeting in order to have an opinion on any issue. If the Board does not vote, then the Board does not have an opinion on a matter. Any Board member who has an individual opinion may provide testimony to the legislature as an individual, and not as a Board representative, unless the Board has voted on the record to have an opinion on a matter.

Peter Mlynarik requests that if a Board member were to provide testimony as a Board member, then he would request a written report as to exactly what was said.

Loren Jones states that he thinks it should be the Chair and not anybody else on the Board.

Mark Springer reiterates that he does not see a necessity at this time, as the Board has not voted to take any actions or request legislation.

Sara Chambers reminds the Board that they could certainly hold a teleconference with five-days' notice if something big comes up that needs to be addressed.

Nick Miller states that they have the option and would like to do the vote to see if the Board would support Mr. Emmett.

Nick Miller motions to have Brandon Emmett be the legislative contact.

Mark Springer seconds the motion for discussion.

Peter Mlynarik requests the caveat that any communication with the legislature be documented.

Motion carries, 4-1 (Loren Jones votes No).

● **ENFORCEMENT UPDATE**

10:20am

A. Enforcement Report

TAB 5

James Hoelscher, Chief Investigator, provides enforcement updates to the Board regarding inspections, contacts, types of investigations, and statistics.

James Hoelscher states that the regulation regarding transportation is very clear. He asks the Board if a licensee should be able to pick up marijuana and marijuana product from a cultivator. He states that he feels that they should.

Mark Springer states that he does not have a problem with a licensee transferring product that is being transferred to its establishment.

Brandon Emmett states that he feels that licensees who aren't bad actors should be able to transfer and transport marijuana as they see fit.

James Hoelscher states that it creates an issue with tax that would need to be sorted out by the licensees. He additionally states that the existing language in 3 AAC 306.750 only allows a retail marijuana store to transport marijuana to another retail marijuana store, and that a regulation change would be required in order to allow any other type of transfer.

Harriet Milks agrees that the requirements are clear.

Loren Jones asks if there is a method of providing a guidance document until a regulation change is completed.

Harriet Milks states that that would not be ideal, as it would be a de facto regulation.

James Hoelscher, Mark Springer, and Peter Mlynarik discuss the confusion about whether a licensee can be an agent for another licensee.

Brandon Emmett motions to open a regulations project to define the language here to give clear guidance to enforcement.

Mark Springer seconds the motion.

Peter Mlynarik clarifies that this would clarify all transportation for retailers, cultivators, and third parties.

Sara Chambers informs the Board that it could publicly notice in advance, if it desires, requests for suggestions for information to help staff draft language. She also states that the Board could consider directing the Director to have staff focus its efforts on things other than writing notices of violation for this type of action.

Harriet Milks states that because of the federal administration, the Board needs to be vigilant in creating and enforcing a robust set of regulations.

Peter Mlynarik states that it seems like the staff has an idea of the direction it wants to take and wouldn't need input from the outside.

Mark Springer agrees and states that it is the head of enforcement's duty to prioritize the efforts of his team.

Harriet Milks asks for clarification on whether the Board would like to use the scoping method.

The Board agrees that they would like to get this out as soon as possible.

Brandon Emmett states that he would be in agreement with prioritizing these notices of violation as low as possible, but he defers to Investigator Hoelscher.

Harriet Milks reminds the Board that they could hold a special meeting or extra meeting.

Sara Chambers and the Board members agree on the desire to have a special meeting at the end of the month.

Motion to have the staff open a regulations project and draft language carries unanimously.

James Hoelscher asks if the Board wants to define what a security system means, and if it would be supportive of licensees using audible alarms. 10:59pm

Loren Jones states that if the licensee is using a security system that matches the description in the operating plan that the Board has approved, then it should be the definition that enforcement goes by.

Investigator Steve Johnson provides testimony regarding alarm systems that are in place during inspection being different than what was approved by the Board.

Loren Jones asks if the process then would be to have enforcement issue a notice of violation.

Brandon Emmett agrees with Loren Jones's comment about the system needing to match what was approved in the operating agreement, but that it may not be a good idea to try to add a definition, as it may be difficult for rural licensees to have more than an audible alarm.

Peter Mlynarik states that either a regulations project could be required, or maybe the Board should just be more diligent in looking closely or requiring more information about what happens when an alarm goes off.

James Hoelscher clarifies that if someone's alarm system doesn't meet what was approved on the application, that they would not issue the license.

James Hoelscher asks if the definition of "in house testing" under 3 AAC 306.460(b) needs to be broadened to allow cultivators to monitor quality control of their own product. He states that we all know they are going to do it, but asks the Board if should enforcement should turn a blind-eye, or should the Board create a legal method by which a licensee could do this. 11:11am

Sarah Oates and James Hoelscher clarify that staff is wondering if the Board would wish to allow for off-premises quality control testing by licensees employees. James Hoelscher states that this could be tracked in metrc.

Sarah Oates adds that staff would also like to recommend duplicating the sampling language to allow for product manufacturing facilities to provide samples, as well.

Sara Chambers informs the Board that in order to save time, the Board could consider creating a subcommittee of stakeholders to discuss non-pressing issues like this one that might need regulation changes.

Loren Jones states that this is confusing and that he would support forming a subcommittee to discuss this.

Harriet Milks states that when the former Director, Sarah Oates, and she traveled to Colorado two years ago to do research, she learned that internal quality control is very important.

Mark Springer states that it should be fairly simple language, and that the Board has the obligation to allow licensees to do quality control testing.

Mark Springer motions to ask staff to draft a regulation allowing cultivators and product manufacturers to conduct in-house quality control testing, not that in-house means under their roof.

Brandon Emmett seconds the motion.

Motion carries unanimously.

*James Hoelscher states that 3 AAC 306.660 clearly states that if **11:27am** if a sample of bud and flower fails testing, then the entire plant fails, but it doesn't specifically state what happens if it passes. He asks if this is oversight. He also states that testing facilities need to be reminded that only one sample from each batch may be tested.*

Brandon Emmett states that it is a common occurrence for cannabis in the wild to have diseases or mildews affect one part of a plant and not another, and now we are seeing that with the testing results.

The Board agrees that one test for a batch, and not multiple tests, is status quo.

*James Hoelscher asks if adding terpenes back into a marijuana **11:35am** concentrate is making it a different marijuana product.*

Brandon Emmett and Peter Mlynarik agree that if it was part of the original and then put back in, then it wouldn't be creating a different product.

Loren Jones states that if there's additional coloring or flavoring or smell being added, then it's a different product, but if it's part of the original plant that was separated during the processing, and it's put back in, then it's fine.

Brandon Emmett agrees that if a licensee purchases terpenes and adds those in, that it would be creating a separate product.

All members nod in agreement.

James Hoelscher asks if a cultivation facility or retail store can sell kief as a natural byproduct of packing or processing. **11:42am**

The Board members agree that they could, and that those licensees would not be required to go through a marijuana product manufacturing facility.

James Hoelscher asks the Board if a retail marijuana store is rolling joints or marijuana cigarettes, if they creating a marijuana product. **11:43am**

Sarah Oates states that she believes the Board has been ruling this way.

James Hoelscher ask in that case a retail store couldn't roll their own joints; they would have to purchase them from a marijuana product manufacturer.

Peter Mlynarik states that that is correct.

Nick Miller states that he wasn't here for those conversations, but in the normal business of a retail store selling its product, they're going to have small pieces of its product and things in the bottom of jars that they would put in a joint and sell it. If not, they would have to dispose of it or have a big bag of trim, but it leaves a lot of product unusable to the retail store, and he had not realized that. He states that he didn't believe he had heard that, and he has been pretty involved in the conversations.

Sarah Oates apologizes and clarifies that what she should have said was that the Board has been approving pre-rolled joints as marijuana products, but that she does not believe that the Board has actually said that retail stores would not be able to roll its own joints and sell them.

James Hoelscher states that this is coming to the Board because of a complaint received that rolling joints is definitely a manufacturing process because the stores use a little machine to do all of the work, and the stores have not had to get the machine listed or the procedures preapproved. The complaints are that it is a huge public safety issue.

Peter Mlynarik states that he thinks it is a product and is something that a product manufacturer should have to make, and that if the retailers have loose stuff, that they can sell it as loose stuff, since they're already selling it in a bag anyway. He adds that it goes beyond a retailer to start creating a product.

James Hoelscher adds that cultivators are also rolling joints, and he asks if that also goes beyond what they're supposed to be doing.

Peter Mlynarik states that he would say so, if it applies to retailers.

Nick Millers states that he would think, being in the business, that they should have a subcommittee to talk about this. He states that you don't need a machine to do this; they're required to get food handlers cards, so they know how to handle food; and some of them are even required to get managers cards. He states that he thinks they should either have a subcommittee or that they need to discuss this in more depth. He adds that he knows they don't have a lot of time, but that this is a very important issue because it's a part of a lot of people's business plans to not have a lot of waste.

Mark Springer states that he wouldn't necessarily have a problem with writing a regulation to let a retail marijuana store to get a production endorsement to let them roll joints, because he could actually see how if that was available, that it would possibly serve as a way to reduce consumption. He states that he thinks they should probably give retail establishments some consideration for that only, and not anything else.

Peter Mlynarik states that he does not agree – that it's a product.

Mark Springer states that they would have to be authorized by the Board to do so.

Peter Mlynarik states that they already have someone out there who can do that, and that this kind of gets out of there as a function of retail.

Brandon Emmett asks Nick Miller if his proposal was a motion.

Nick Miller says that it was.

Sara Chambers asks Nick Miller to restate his motion.

Nick Miller states that he doesn't know what his motion is, but he just thinks it needs further discussion; he thinks it needs further clarification, and he does believe that retail stores and cultivators should be allowed to make pre-rolls.

Sarah Oates states that she believes that Nick Miller had requested that a subcommittee be formed to discuss this issue.

Nick Miller agrees to having that language be his motion.

Brandon Emmett seconds the motion.

Motion carries unanimously.

● REGULATIONS

A. Proposed Regulations Projects

1. New Proposed Projects from Staff

11:52am

TAB 7

James Hoelscher states that random sampling in 3 AAC 306.465 should include marijuana and marijuana product, as it currently does not.

Mark Springer motions to have this on the next meeting's agenda, as it looks like a one-word amendment.

Brandon Emmett seconds the motion.

None opposed, motion carries.

James Hoelscher brings forward concerns about the existing regulations regarding waste disposal processes and definitions.

Mark Springer motions to open a regulations project that hits the four points in Mr. Hoelscher's enforcement report under waste disposal and that includes additional waste disposal methods.

Brandon Emmett seconds the motion.

Motion carries unanimously.

James Hoelscher requests for some type of revocation of marijuana handler permits.

Peter Mlynarik offers to draft language.

*Peter Mlynarik motions to work on a draft project for what would qualify for revocation of a marijuana handler permit.
Mark Springer seconds the motion.
Motion carries unanimously.*

● **LUNCH BREAK** **12:00pm**

● **ENFORCEMENT REPORT**

A. Notices of Violation Issued and Licensee Responses **12:35pm** **TAB 6**

James Hoelscher briefs the Board members on notices of violation issued since the last meeting and answers Board questions.

Sara Chambers states that she is interested in seeking whether the Board would be interested in delegating to the Director the authority to issue an accusation prior to the Board's request to do so.

Peter Mlynarik states that he has the confidence in the staff and the Director in their knowledge of the regulations and discretion.

James Hoelscher asks if the Board has considered a fine schedule.

Sara Chambers states that issuing notices of civil fines could be added to the delegation to the Director, if the Board wishes.

*Peter Mlynarik asks if there is any more discussion on this matter and if there are any opposed to delegating those items.
None opposed.*

● **REGULATIONS**

A. Proposed Regulations Projects

2. New Proposed Projects from Board Members **12:48pm** **TAB 8**

Mark Springer states that this looks like a pretty barn door definition of advertisement.

Peter Mlynarik states that he looked at several different definitions of logo, and that these are kind of the summation of what he found out there.

Brandon Emmett and Nick Miller state that they cannot support the proposed definitions, as they are too broad.

Loren Jones states that the proposed language doesn't put "advertising" and "logo" together, it just gives them independent definitions.

Peter Mlynarik states that he attempted to connect them in his definition of “logo”.

Brandon Emmett states that they need to clearly define for enforcement the difference between an advertisement for a marijuana business and an advertisement for marijuana or a marijuana product.

Nick Miller states that he would just fall to instructing Mr. Hoelscher to follow the regulations and that a logo is not a part of an advertisement.

Peter Mlynarik states that he gets the feeling that this is not worth a motion, so they will press on.

No action.

G. On-site Consumption Endorsement

1:04pm

1. Draft

TAB 15

2. Public Comments Received

TAB 16

Sara Chambers states that the Board, at this phase, is the first in the nation to address some of these issues, and the Board, with the support of staff, as demonstrated that we want to get this right, that we want to have the process be transparent, and that the staff wishes to aid the Board in developing an excellent record of how decisions were made and what the Board’s intent is. She additionally states that in reviewing the regulations for this Board meeting, and after consult with counsel, that it came to her attention that none of the three public notices for on-site consumption was in compliance with the State’s regulation noticing laws in the Administrative Procedure Act. She states that there were flaws in the notice that counsel and she believe did not provide adequate public notice of what was proposed to be added or changed, and perhaps caused more confusion than clarification of the Board’s intentions. She adds that in speaking with staff and counsel, it is her observation that there was absolutely no malicious intent, but in the rush of things, perhaps lacked the oversight that the process required. She states that is something that staff is putting into place to avoid happening in the future, but it doesn’t change the past.

She states that the Board has several options:

- 1. One option would be to simply re-public notice what has been out for a while now.*
- 2. One would be to consider any changes to the regulations that the Board would have at this meeting, anyway, after deliberating public comment and having that period of time. It might be the Board’s wish to make substantive changes that would require another public notice, anyway, making the errors moot.*
- 3. Or the Board could choose to take no action and not pursue the regulations project any further.*

She adds that once the Board determines how it wishes to move forward, that it has the good fortune of already having decided to schedule a special meeting at the end of the

month, so the Board could move this process ahead fairly quickly, should the Board decide to have regulations in place, before the summer season.

Harriet Milks adds that the deficiencies identified were deficiencies in the format of the public notice, not deficiencies in any of the text or of the substance of the proposed regulations. It was failure to comply with the letter of the public notice requirements as set out in the APA.

Loren Jones asks for clarification on whether there's any way to approve what is provided here without it having to be re-noticed, or if the deficiencies are fatal.

Sara Chambers states that the severity of the errors, while they were formatting, were severe enough that the State's regulations attorneys would not allow this to be adopted without additional public notice. She points out problems with the notice, which include the numbering of the section, the fact that there is nothing in the notice about proposed changes to section 3 AAC 306.990, and the fact that the actual format of the regulations as the strong potential to mislead the public into believing that language that was being proposed was already in existence and was being edited because it didn't inform the public whether it was being added or changed; when it did inform the public, it did so incorrectly. She adds that they wanted to move it forward to the Board so that the Board may act on it, as that's what it intended to do so; however, those deficiencies were too strong to allow the State of Alaska to permit that to happen at this meeting.

Peter Mlynarik states that he had a few comments on it, and it would save time if there were any substantial changes on it so that it wouldn't have to go back out again and then again.

Brandon Emmett states that this is extremely disappointing news, and that many were looking to finish this today, whether it was approve or deny. He adds that he would be in support of any solution that would expedite getting this before the Board for a vote.

Nick Miller states that he would support moving it forward for public comment again, as it is. He adds that he is concerned about the public perception, as this is a very controversial amendment, and he feels like they are going to lose confidence in the Board.

Harriet Milks states that the Board does have a very strong record of public comment that will not be lost, as it's gone out three times, and the last time was for more than 30 days. She adds that either way, this will need to go out for another 30 days, whether the Board wishes to put this back out as is, or if it wishes to make substantive changes beforehand. She states that they have not lost the public confidence, as the Board has all of the public comments, and that really, it's a 30-day delay.

Brandon Emmett states that it could be the public's perception that there are other forces at play here, and we do not want that. He adds that if it's the Board's will that this should die, then so be it, but this needs to come before a vote very soon.

Loren Jones states that if the Board looks back at the public comments, that they are overwhelmingly opposed. He states that the Board should not reject those public comments. He adds that the Board has taken rounds of comments, that it has received sufficient public comments. He states that there is a public comment from Jana Weltzin that is the first thing in the marijuana mailbox that was not put in with the other public comments and was dated the 13th.

Loren Jones motions that the Board not proceed forward with this regulation project. Mark Springer seconds the motion for discussion.

Peter Mlynarik states that the public comments were overwhelmingly for a smoke-free workplace, although some of them did touch on edibles.

Sara Chambers states that the Board is required to deliberate on the public comments, as the Board is doing, but wants to make it clear that it is not a matter of how many comments are for or against that prevails. She also states that the one public comment that Loren Jones mentioned was received after 4:30pm on January 13th, which was the public notice cut-off. She adds that it could be resubmitted with any future public notice, but that we have to stick with the process and what was noticed.

Nick Miller states that he understands the concern about a smoke-free workplace, and that the Municipality of Anchorage has a smoke-free workplace law. He states that they are not passing this regulation de facto, giving every store the ability to allow smoking on-premises; what the Board would be giving them is the endorsement for on-site consumption, and they would still have to meet the regulations of their local jurisdiction.

Harriet Milks states that she is not so sure that the legal determination would be quite that clear – that AS 17.38 is a State law, and it says that local governments can, by ordinance, enact time, place, and manner restrictions on marijuana establishments, not incompatible with restrictions under AS 17.38 and thereunder. She states that it is not at all clear that if this Board adopts a regulation saying you can smoke on-site in a marijuana establishment, that it could be trumped by a local ordinance. She adds that what they had talked about is if the Board wants to make it clear that there could be a local ordinance to that effect, that the Board could insert language to say “except as otherwise provided by a local ordinance related to smoking”. She also adds that there is no statewide anti-smoking law, so any regulation adopted would be a State wide.

Brandon Emmett states that he will be voting against Loren Jones’s motion. He reminds the Board that the way that the Board got to this place was by trying to deal with the unregulated clubs that are now open. He adds that the Board should pass something that would require these places to be regulated, and it would be foolish to assume that people who are already doing this would stop just because the Board decides it’s not going to regulate it.

Mark Springer states that he tends to fall on the side of public health and clean air, and that he does not believe that there is any ventilation technology that is going to keep a separately enclosed spaced in a retail establishment from having enough airflow to mitigate marijuana smoke. He reads some public comments about indoor smoking.

Mark Springer states that he thinks at this point in time, that we be very careful about what additional initiatives we take. He adds that we have a new administration in Washington and new Attorney General who has made it quite clear that he is more friendly with the KKK than he is with marijuana. He states that we do not want to draw a whole lot of attention to what is going on in this state with marijuana; we don't want a million people getting off of cruise ships in Juneau saying it's great that they went into half of the stores and were able to smoke marijuana because this will draw a big spotlight on us. He adds that there are a couple of states that have just gone legal, and he wants to wait and see what Maine does. He adds that if the AG sticks to his word, then he will put the Cole Memorandum through the shredder. He also states that the Memo only applies to Federal prosecutors, and not to Federal law enforcement, and that we don't want to be waiving a red flag in front of the FBI, at least not now.

Mark Springer asks if they put smoking aside, why would we even need them to be able to consume an edible, because someone isn't going to sit there for an hour or an hour and a half waiting for it to kick in.

Mark Springer motions to amend the draft to take out 3 AAC 306.365(d)(3) because you are going to have people who have no idea what shatter is, and that would be like someone who's never had alcohol going into a bar and asking for a shot of 151 proof rum. He adds that there are public health considerations here that go across the board, and there are considerations that if the Board wants to protect this industry and continue to see it growing, and to continue to allow Alaskans to be the ones who are making the investments and getting the benefits of them, then the Board should take a deep breath on this. He states that the Board has seen outlines and floor plans where people are planning on allowing on-site consumption, but that everything considered, we need to go slow on this, and he thinks he's going to vote for (Loren Jones's) motion. No second to Mark Springer's motion to take out (d)(3).

Motion carries, 3-2 (Brandon Emmett and Nick Miller vote No).

B. Effect on Restriction of Sale (if Opt-out by Ordinance) 1:35pm

Loren Jones motions to have the Board adopt the draft regulations on Effect on Restriction of Sale, Food Safety Permit, Ownership Change Requirements, and Retail Marijuana Store Notice Requirements.

Mark Springer seconds the motion.

Motion carries unanimously.

1. Draft (No Public Comments Received) TAB 9

C. Food Safety Permit

1. Draft (No Public Comments Received) TAB 10

D. Ownership Change Requirements

1. Draft (No Public Comments Received) TAB 11

E. Retail Marijuana Store Notice Requirements

1. Draft (No Public Comments Received) **TAB 12**

F. Testing Requirements

1:39pm

Loren Jones motions to adopt the testing requirements regulation as it was put out for public comment.

Brandon Emmett seconds the motion.

Motion carries unanimously.

1. Draft **TAB 13**

2. Public Comments Received **TAB 14**

● **LICENSING UPDATE**

A. Licensing Report

1:40pm

TAB 17

Sarah Oates updates the Board on licensing matters, including applications processed since the last meeting, staff updates, processing times, and reasons for the large number of change forms. She adds that the agenda close date for the April, 2017 meeting is March 17, which will be including in the public notice for the meeting, and that new forms MJ-13: Business Name Change and MJ-16: Proposed New Marijuana Product are in draft form and should be available on the website to licensees within the next two weeks.

● **NEW MARIJUANA HANDLER COURSE PROVIDER APPLICATIONS**

A. MHCP 018: Alaska Handler Certification for Marijuana

1:45pm

TAB 18

Applicant: Alaska Handler – Jeremy Stanfield

Brandon Emmett recuses himself from discussion and voting, due to financial conflict.

Mark Springer motions to approve the marijuana handler course titled Alaska Handler Certification for Marijuana, number 018.

Nick Miller seconds the motion.

Loren Jones and Peter Mlynarik state that they will be voting in opposition to the motion.

Motion fails unanimously.

Brandon Emmett rejoins the meeting.

● **CONSIDERATION FOR DENIAL**

A. Incomplete Applications

1. **License #10154: Alaska Green Cross** 1:48pm TAB 19
Licensee: Alaska Green Glacier Gardens, LLC
License Type: Retail Marijuana Store
Premises Address: 211 E Dimond, Unit A
Anchorage, AK 99515
Local Government: Municipality of Anchorage

*Loren Jones motions that the Board accept staff's recommendation that they will deny the application based on the recommendation that it's not complete and that the applicant failed to complete it.
Mark Springer seconds to motion.*

Mark Springer asks for clarification regarding the issue about the licensed premises not being what is on the application.

Sarah Oates states that the application was initiated at a location with a Unit A, and documentation that was submitted in response to the third three-page incomplete letter shows that the applicant is located in Unit G. She additionally informs the Board that in their packets, they can see that the applicant received three incomplete letters that are each three pages long. She reminds the Board that at the July, 2016 meeting, the Board voted to support her request to allow for only a one-time roll-back of an application to the "New" status so that critical pieces of the application could be amended. She informs the Board that this application has been rolled back to New more than once, and that the staff has gone above and beyond in trying to help this applicant get the application complete.

The Board members discuss the public objection on file from the condo association.

Adele Davis, applicant, provides documents to the Board and states that she is actually located in Unit A. She additionally states that the staff had sent her a letter in September saying that her application was complete.

Sarah Oates clarifies for the record that the notice that Adele Davis had received was an email stating that all of her supplemental documents had been received but not reviewed, and that she would now be able to submit payment. She reminds the Board that no documents are ever reviewed by staff until payment has been submitted by the applicant.

Motion to deny the license carries unanimously.

Hold music forces staff to hang up and dial back into the meeting.

Sara Chambers reminds the Board that Adele Davis was afforded an opportunity to provide testimony, and that the Board should check to see if there is anyone else on the phone who wishes to speak about the application.

John Schumacher provides testimony regarding his medical condition and voices support for the application.

John Troutman, disabled vet and retired drug and alcohol counselor, provides testimony in support of the application and in marijuana.

Don Hart, investigator for Central Investigation Agency, provides testimony in favor of the application and encourages the Board to reconsider the possibility of giving her the definitiveness of it being complete. He adds that out of her own pocket, Adele Davis has been doing this thing all by herself all over the state; that she's been driving all over the state and doing this Green Cross thing, getting medical marijuana to patients.

Peter Mlynarik asks the Board members if in light of the public testimony, whether they would wish to go in any other direction than the one in which they have.

B. Complete Applications

- 1. License #11091: Tempt, LLC** **2:18pm** **TAB 20**
Licensee: Tempt, LLC
License Type: Standard Marijuana Cultivation Facility
Premises Address: 2410 E 88th Avenue
Anchorage, AK 99507
Local Government: Municipality of Anchorage

Matt and Tammy Seidler, applicants, identify themselves for the record.

*Mark Springer motions to approve license #10091 with delegation.
Brandon Emmett seconds the motion.*

Leslie Hysom, Anchorage Driver Training, states that they provide training to anyone ages 14 and above.

The Board members discuss whether or not this meets the definition of "recreation or youth facility" in regulation.

Cade Inscho, public member, states that this is a cultivation facility and would not be open to the public, so there shouldn't be an issue.

Motion to approve the license with delegation carries, 4-1 (Peter Mlynarik votes No).

● **APPLICATIONS FROM PREVIOUS MEETINGS**

A. Operating Plan Changes

- 1. License #10021: Enlighten Alaska, LLC** **2:30pm** **TAB 21**
Licensee: Enlighten Alaska, LLC
License Type: Retail Marijuana Store
Premises Address: 2600 Spenard Road
Anchorage, AK 99503
Local Government: Municipality of Anchorage

Previous Meeting: September 8, 2016

*Mark Springer motions to approve the operating plan change for license #10021.
Brandon Emmett seconds the motion.
Motion carries unanimously.*

- 2. License #10073: Alaskan Blooms, LLC** **2:32pm** **TAB 22**
Licensee: Alaskan Blooms, LLC
License Type: Standard Marijuana Cultivation Facility
Premises Address: 2448 Arvilla Street, Building A & B
Fairbanks, AK 99709
Local Government: Fairbanks North Star Borough
Previous Meeting: July 7, 2016

*Mark Springer motions to approve the operating plan change for license #10073.
Brandon Emmett seconds the motion.
Motion carries unanimously.*

- 3. License #10086: Terra House, LLC** **2:33pm** **TAB 23**
Licensee: Terra House, LLC
License Type: Limited Marijuana Cultivation Facility
Premises Address: 48714 Jones Road, Suite 1
Soldotna, AK 99669
Local Government: Kenai Peninsula Borough
Previous Meeting: October 28, 2016

*Mark Springer motions to approve the operating plan change for license #10086.
Brandon Emmett seconds the motion.
Loren Jones points out that the wrong license
Motion carries unanimously.*

- 4. License #10186: AK Green Labs, LLC** **2:35pm** **TAB 24**
Licensee: AK Green Labs, LLC
License Type: Marijuana Testing Facility
Premises Address: 2509 Fairbanks Street, Suite A
Anchorage, AK 99503
Local Government: Municipality of Anchorage
Previous Meeting: June 9, 2016; July 7, 2016

*Mark Springer motions to approve license #10186 operating plan changes.
Brandon Emmett seconds the motion.
Loren Jones asks if these changes have been approved by the contractor that approves
the testing facilities.
Jana Weltzin, legal counsel, states that it has.
Loren Jones requests that future memos include whether or not the contractor has
approved of any changes.*

Motion to approve the 10186 operating plan changes carries unanimously.

- 5. License #10799: Calm N Collective** **2:39pm** **TAB 25**
Licensee: Calm N Collective, LLC
License Type: Standard Marijuana Cultivation Facility
Premises Address: 13886 W Parks Highway
Houston, AK 99694-0085
Local Government: City of Houston
Previous Meeting: October 28, 2016

*Mark Springer motions to approve the operating plan change for license #10799.
Brandon Emmett seconds the motion.
Jana Weltzin, legal counsel, informs the Board
Motion carries unanimously.*

B. Temporary Ownership Change Reports (Transfers Required)

- 1. License #10149: Remedy Shoppe** **2:40pm** **TAB 26**
Licensee: Tara A Bass
License Type: Retail Marijuana Store
Premises Address: 371 Third Avenue
Skagway, AK 99840
Local Government: Municipality of Skagway
Previous Meeting: September 7, 2016

*Mark Springer motions to approve the ownership change report for license 10149.
Sarah Oates states at the last Board meeting, she had stated that she was bringing these to the Board as an FYI that a future transfer application will be required when available, and that staff isn't necessarily seeking any action.
Mark Springer withdraws his motion.
Loren Jones states that it would be nice if staff could summarize what is changing for these.
Sarah Oates states that form MJ-17a on Page 1 clearly lists the transferor information, and Page 2 clearly lists the transferee information.
Loren Jones requests additional assistance from Sarah Oates after the meeting.*

C. Tabled Applications

- 1. License #10032: Three Sisters Co-Op** **2:43pm** **TAB 27**
Licensee: Janiese L Stevens
License Type: Standard Marijuana Cultivation Facility
Premises Address: 2180 Mill Bay Road
Kodiak, AK 99615
Local Government: City of Kodiak

Previous Meeting: June 9, 2016; July 7, 2016

Mark Springer motions to approve license #10032 with delegation.

Brandon Emmett seconds the motion.

Sara Chambers informs the Board that the Kodiak Island Borough has issued a moratorium on commercial marijuana licenses that expires at the end of February, but that the Borough is not the local government authority. She says that although the City of Kodiak is, the Borough has the planning and platting authority for that area, so the intent of the Borough is to extend the moratorium so that they can pass an extensive land-use change that addresses marijuana. She adds that staff has not received a protest from the City of Kodiak.

Licensee not present at the meeting for questions.

Peter Mlynarik voices concerns about pieces of the application that he has questions about.

Loren Jones motions to table the application until the April meeting.

Peter Mlynarik seconds the motion.

Sara Chambers reminds the Board that they have the option to deny the application, which would afford the applicant its due process rights.

Motion to table the application until the April meeting carries unanimously.

- 2. License #10138: Northern Lights Indoor Gardens, LLC 2:52pm TAB 28**
Licensee: Northern Lights Indoor Gardens, LLC
License Type: Retail Marijuana Store
Premises Address: 1321 Sawmill Creek Road, Suite O and P
Sitka, AK 99835
Local Government: City and Borough of Sitka
Previous Meeting: December 7, 2016

Mark Springer motions to approve the license #10138 with delegation.

Brandon Emmett seconds the motion.

Sarah Oates reminds the Board that it had tabled the application at the last meeting in order to afford the applicant an opportunity to revise MJ-01 to look less like that of a cultivation facility and more like a retail marijuana store, but no additional specific direction was given. She additionally states that staff has not reviewed the document, as stated at the last meeting.

Mike and Lorraine Daly, applicants, identify themselves for the record and answers Board questions.

Motion to approve with delegation carries unanimously.

● **NEW STANDARD MARIJUANA CULTIVATION FACILITY APPLICATIONS**

- 1. License #10315: Green Elephant, LLC** **2:55pm** **TAB 29**
Licensee: Green Elephant, LLC
Premises Address: 101 Mill Street, Suite A
Juneau, AK 99801
Local Government: City and Borough of Juneau

*Mark Springer motions to approve license #10315 with delegation.
Brandon Emmett seconds the motion.*

Richard Dudas and Jennifer Canfield, applicant, identify themselves for the record and answer Board questions regarding waste disposal methods.

Mark Springer adds to the delegation to have the applicant choose between the two methods listed on Page 5 of 8 on MJ-04 for testing procedures and protocols.

Motion to approve with delegation carries unanimously.

● **BREAK** **3:10pm**

● **NEW STANDARD MARIJUANA CULTIVATION FACILITY APPLICATIONS**

- 2. License #10958: Green Life Supply, LLC** **3:16pm** **TAB 30**
Licensee: Green Life Supply, LLC
Premises Address: 511 30th Avenue
Fairbanks, AK 99708
Local Government: City of Fairbanks

*Mark Springer motions to approve license #10958 with delegation.
Brandon Emmett seconds the motion.*

Nathan Davis, applicant, identifies himself for the record and answers Board questions.

Motion to approve with delegation carries unanimously.

- 3. License #10959: Green Go, LLC** **3:18pm** **TAB 31**
Licensee: Green Go, LLC
Premises Address: 101 Post Road
Anchorage, AK 99501
Local Government: Municipality of Anchorage

*Mark Springer motions to approve license #10959 with delegation.
Brandon Emmett seconds the motion.*

Applicant not present to answer Board questions.

Mark Springer motions to table license 10959 until the next meeting.

*Brandon Emmett seconds the motion.
Motion carries unanimously.*

*Mark Springer motions to reconsider license 10959. **3:22pm**
Brandon Emmett seconds the motion.
None opposed.
Mark Springer motions to approve license 10959 with delegation.
Brandon Emmett seconds the motion.
Troy Millhouse, applicant, identifies himself for the record and answers Board questions.
Motion to approve with delegation carries unanimously.*

● **NEW LIMITED MARIJUANA CULTIVATION FACILITY APPLICATIONS**

- 1. License #10010: AK Bean Brains **3:20pm** TAB 32**
Licensee: Moose Run Farm, LLC
Premises Address: 1840 E Dowling Road, Suite B
Anchorage, AK 99507
Local Government: Municipality of Anchorage

*Mark Springer motions to approve license #10010 with delegation.
Brandon Emmett seconds the motion.
Applicant not present to answer Board questions.
Mark Springer motions to table license 10010 until the next meeting.
Brandon Emmett seconds the motion.
Motion carries unanimously.*

*Mark Springer motions to reconsider license 10010 for **3:26pm**
approval with delegation.
Brandon Emmett seconds the motion.*

David Pope, managing member, and Un Kim, shareholder, identify themselves for the record and answer board questions.

Un Kim clarifies David Pope's role and ownership for the record.

Un Kim answers additional Board questions.

Motion to reconsider and approve with delegation carries unanimously.

- 2. License #10814: SE Moog Droog, LLC **3:21pm** TAB 33**
Licensee: SE Moog Droog, LLC
Premises Address: Lot 13D Jeff Berg Subdivision
Petersburg, AK 99833
Local Government: Petersburg Borough

Mark Springer motions to approve license #10814 SE Moog Droog with delegation.

*Brandon Emmett seconds the motion.
Staff and Board realize the phone line is muted and unmute the phone.
No action.*

*Mark Springer motions to approve license #10814 with delegation. **3:41pm**
Brandon Emmett seconds the motion.*

Gary Morgan, applicant, identifies himself for the record and answers Board questions.

Motion to approve with delegation carries unanimously.

- 3. License #10979: Gudlief Organization **3:45pm** TAB 34**
Licensee: Robin C Thomas
Premises Address: 303-C West E Street
Nome, AK 99762
Local Government: City of Nome

*Mark Springer motions to approve license #10979 Gudlief with delegation.
Brandon Emmett seconds the motion.*

Robin Thomas identifies himself for the record and answers Board questions.

Mark Springer adds to the delegation that references to particular air carriers be removed from the operating plan.

Motion to approve with delegation carries unanimously.

● **NEW RETAIL MARIJUANA STORE APPLICATIONS**

- 1. License #10008: Green Jar **3:51pm** TAB 35**
Licensee: Caleb L Saunders; Christopher T Farris; Bailey A Stuart
Premises Address: 4901 E Blue Lupine Drive, Building 2, Unit E
Wasilla, AK 99654
Local Government: Matanuska-Susitna Borough

*Mark Springer motions to approve license #10008 with delegation.
Brandon Emmett seconds the motion.*

Bailey Stuart, Caleb Saunders, and Chris Farris, applicants, identify themselves for the record and answer Board questions.

Motion to approve with delegation carries unanimously.

- 2. License #10844: Green Elephant, LLC** **3:58pm** **TAB 36**
Licensee: Green Elephant, LLC
Premises Address: 101 Mill Street, Suite B
Juneau, AK 99801
Local Government: City and Borough of Juneau

*Mark Springer motions to approve license #10844 with delegation.
Brandon Emmett seconds the motion.*

Richard Dudas and Jennifer Canfield, applicant, identify themselves for the record and answer Board questions.

Loren Jones states for the record that he has not taken any official action on this application at all.

Loren Jones requests that the delegation include that a more detailed diagram be submitted that includes security cameras, restricted access areas, doors, and locked storage areas.

Motion to approve with delegation carries unanimously.

- 3. License #10933: Alaska's Green Light District** **4:09pm** **TAB 37**
Licensee: AKGLD, LLC
Premises Address: 407 E Northern Lights Boulevard
Anchorage, AK 99503
Local Government: Municipality of Anchorage

*Mark Springer motions to approve license #10933 with delegation.
Brandon Emmett seconds the motion.*

James Millhouse and Rich Beasley identify themselves for the record and answer Board questions.

Motion to approve with delegation carries unanimously.

- 4. License #11050: Houston Grass Station, LLC** **4:17pm** **TAB 38**
Licensee: Houston Grass Station, LLC
Premises Address: 15231 W Parks Highway
Houston, AK 99694
Local Government: City of Houston

*Mark Springer motions to approve license #11051 Houston Grass Station with delegation.
Brandon Emmett seconds the motion.*

Jana Weltzin, legal counsel, and Ronald Bass, applicant, identify themselves for the record and answer Board questions.

Motion to approve with delegation carries unanimously.

Jana Weltzin requests clarification regarding joint rolling by retail marijuana stores. She reads pieces of the Enforcement Report and states that the actions described are currently taking place by licensed retail stores and cultivation facilities. She states that nothing about selling pre-rolled joints was publicly noticed, as the only thing mentioned in the Enforcement Report is selling kief. She requests that the Board take a vote on giving guidance to enforcement as to whether cultivators or retail stores can roll and sell joints.

Peter Mlynarik states that there is a committee for looking into that, but that the guidance for enforcement at this time is that the only people who have the authority to make pre-rolls at this time are manufacturers. He states that there is nothing that allows them to right now in the regulations.

Sara Chambers states that her impression from Investigator Hoelscher is that he is seeing this happen and was seeking guidance from the Board as to what direction to take.

Peter Mlynarik states that at this point, it's not a regulation project; it's a question that enforcement has of the Board, and the Board has given an answer. He states that people may be doing it, but it's not legal.

Jana Weltzin states that this has been going on, and enforcement has been allowing it.

Sara Chambers states that although the question in Investigator Hoelscher's report that was written two weeks ago is not the one that is currently being discussed, the question that is in the report prompted the current discussion, which is of a related nature.

Jana Weltzin states that people have made significant financial investments in pre-rolls.

Peter Mlynarik states that he does not know why these people are making pre-rolls, as it was never discussed or approved by the Board.

Brandon Emmett states that people feel like they are just packaging the marijuana, and not altering it to make a product. He voices concern that the Board may be opening itself up to lawsuits due to a misperception by licensees that they could do this.

Peter Mlynarik states that there wasn't a misperception because the Board never discussed or voted on this, and that he does not know where people got that idea, but that it did not come from the Board.

Mark Springer requests as a point of order that the Board reviews the final license application before continuing this discussion.

5. **License #11121: Bad Gramm3r, LLC** **4:29pm** **TAB 39**
Licensee: Bad Gramm3r, LLC
Premises Address: 1150 N Helen Lane
Wasilla, AK 99654
Local Government: Matanuska-Susitna Borough

*Mark Springer motions to approve license #11121 Bad Gramm3r with delegation.
Brandon Emmett seconds the motion.*

Peter Zell, applicant, identifies himself from the record.

Motion to approve with delegation carries unanimously.

● **MARIJUANA MAILBOX**

- A. All correspondence received in the marijuana@alaska.gov inbox **4:31pm** **TAB 40**
from November 19, 2016 – January 13, 2017.

No action.

● **BOARD COMMENTS**

4:32pm

Brandon Emmett welcomes Sara Chambers and thanks her and the staff for their hard work. He states that he would hope that after the Board sees what AG Sessions plans to do, that they might reconsider on-site consumption.

Nick Miller states that there's definitely a definition misunderstanding between people in this meeting and in the industry about packaging and pre-rolls.

Mark Springer states that he agrees with Mr. Emmett that the discussion of on-site consumption is not dead, and that perhaps that topic and the discussion of public consumption could be brought up by the legislature.

Peter Mlynarik states that it went well today and voices appreciation of the staff and being elected as Chairman again.

*Mark Springer motions to adjourn.
Brandon Emmett seconds the motion.*

● **NEXT MARIJUANA CONTROL BOARD MEETING**

4:36pm

The Board discusses a potential timeline for the special meeting at the end of the month to discuss draft regulations.

Sara Chambers informs the Board that the ABC Board will be meeting on April 6, 2017, so the regular MCB meeting date would be April 5, 2017.

Peter Mlynarik states that the regular meeting should probably be more than one day.

● **ADJOURN**

4:39pm

Minutes prepared by:

A handwritten signature in green ink, appearing to read "Sarah D. Oates".

Sarah D. Oates
Program Coordinator