



## MEMORANDUM

TO: Chair and Members of the Board      DATE: June 30, 2016  
FROM: Cynthia Franklin      RE: Applications Tabled for  
Director, Marijuana Control Board      Deficient Operating Plans

At its June 9-10 meeting, the Marijuana Control Board tabled the following applications due to noted deficiencies in the operating plans submitted by the applicants. For each application, only the updated operating plan is included at the designated tab for this meeting. The original operating plan, along with all other application documents, may be found at the June 9 or 10 meeting tabs as indicated.

No evaluation by staff regarding the merits of the updated operating plan has been performed. The director provided instruction to each applicant to review the board's raw minutes and update the operating plan accordingly.

1. License #10025, Budding Alaska, LLC
  - a. Considered June 9, 2016 at Tab 11 of the June 9-10 board packet
  - b. Updated operating plan at Tab 23 of this July 7-8 board packet
  
2. License #10122, Stoney Creek Growers, LLC
  - a. Considered June 10, 2016 at Tab 28 of the June 9-10 board packet
  - b. Updated operating plan at Tab 24 of this July 7-8 board packet



## MEMORANDUM

TO: Chair and Members of the Board      DATE: June 30, 2016  
FROM: Cynthia Franklin      RE: Kenai Peninsula Borough  
Director, Marijuana Control Board      "Non-Objection" Letters

AMCO staff received identical letters from the Kenai Peninsula Borough in response to the 3 AC 306.025(d)(2) notifications regarding the following seven (7) applications on this agenda\*:

1. License #10011, Green Rush Gardens, LLC, previously delegated at June meeting
2. License #10015, Greatland Ganja, LLC, previously delegated at June meeting
3. License #10041, Peace Frog Botanicals, previously delegated at June meeting
4. License #10147, Permafrost Distributors, previously delegated at June meeting
5. License #10148, Talisman Farms, previously delegated at June meeting
6. License #10025, Budding Alaska, tabled at June meeting for operating plan fix
7. License #10122, Stoney Creek Growers, tabled at June meeting for operating plan fix

The director requested clarification from KPB as to whether the conditions attached to the "Non-Objection" letters were a request that the MCB impose conditions on the state issued cultivation licenses pursuant to 3 AAC 060(b). As of the writing of this memo, KPB has not responded with clarification of its view of the conditions.

Under 3 AAC 306.060(b) the board must evaluate the conditions to determine if they are arbitrary, capricious and unreasonable before issuing a license subject to those conditions. Even if the conditions are imposed, the local government is responsible for enforcement of the conditions.

The conditions requested by KPB on each of the above seven (7) licenses are as follows:

1. The marijuana establishment shall conduct their operation consistent with the site plan submitted to the Kenai Peninsula Borough.
2. There shall be no parking in borough rights-of-way generated by the marijuana establishment.
3. The marijuana establishment shall remain current in all Kenai Peninsula Borough tax obligations consistent with KPB 7.30.020(A).

\*KPB issued nine (9) non-objection letters, but two of the applications for which they issued letters are not on this meeting's agenda for separate reasons unrelated to this issue.



**Alaska Marijuana Control Board**

**Form MJ-01: Marijuana Establishment Operating Plan**

**What is this form?**

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38 of Alaska Statutes** and **Chapter 306 of the Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

**What must be covered in an operating plan?**

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Security
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Waste disposal
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising
- Control plan for persons under the age of 21

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03, Form MJ-04, Form MJ-05, or Form MJ-06**) to meet the additional operating plan requirements for each license type.

**Section 1 – Establishment Information**

Enter information for the business seeking to be licensed, as identified on the license application.

<b>Licensee:</b>	STONEY CREEK GROWERS, LLC	<b>License Number:</b>	10122		
<b>License Type:</b>	LIMITED MARIJUANA CULTIVATION FACILITY				
<b>Doing Business As:</b>	STONEY CREEK GROWERS, LLC				
<b>Premises Address:</b>	33485 VINEWOOD LN				
<b>City:</b>	SEWARD	<b>State:</b>	ALASKA	<b>ZIP:</b>	99664
<b>Mailing Address:</b>	PO BOX 2675				
<b>City:</b>	SEWARD	<b>State:</b>	ALAS	<b>ZIP:</b>	99664
<b>Primary Contact:</b>	ELIZABETH DEMOSS				
<b>Main Phone:</b>	907-491-5035	<b>Cell Phone:</b>	907-491-5035		
<b>Email:</b>	lizdemoss26@yahoo.com				



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

### Section 2 – Security

Review the requirements under 3 AAC 306.710 – 3 AAC 306.720 and 3 AAC 306.755, and identify how the proposed premises will meet the listed requirements.

Describe how the proposed premises will comply with each of the following:

**Restricted Access Areas (3 AAC 306.710):**

Describe how you will prevent unescorted members of the public from entering restricted access areas:

There are no parts of the cultivation facility that are open to public access, such as an office or public entry way. The office will be located in our private home on property. There is only one door to the cultivation facility which will have a coded entry keypad.

Describe your processes for admitting visitors into and escorting them through restricted access areas:

Any and all visitors that will be granted allowed access to the restricted area for inspection or tour purposes will sign in to the visitor log upon arrival. All Visitors will be escorted into restricted access areas by an owner, officer, or authorized employee in compliance with the applicable regulations.



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

Describe your recordkeeping of visitors who are escorted into restricted access areas:

All Visitors will be required to sign the Visitor Log and provide their name, associated group or business if applicable, address, phone number, and the type and number of the form of acceptable identification proving the visitor is over 21 years old.

Provide a copy of a sample identification badge to be displayed by each licensee, employee, or agent while on the premises:

STONEY CREEK GROWERS, LLC  
ELIZABETH DEMOSS  
LICENSEE, OWNER  
LICENSE # 10122

(PICTURE WILL BE INCLUDED)



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

Security Alarm Systems and Lock Standards (3 AAC 306.715):

Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

Exterior motion lighting is located throughout the entire property and at the only entry point of the licensed facility. There is one motion light at the end of the driveway, upon entrance to parking area. There is one motion light on the licensed premise itself, and one at each point of entry of the private residence.

An alarm system is required for all license types. Describe the security alarm system for the proposed premises:

Our alarm system is a GE 45117 Deluxe Wireless Door Alarm. It has a 120 decibel siren that will alert us and surrounding neighbors to any intruders. It will be located on the door of the licensed facility, which is the only entry. There are no windows.

The alarm system must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe how the security alarm system meets this requirement:

Door alarm will be set every time licensed facility is left vacant.



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

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Describe your policies and procedures for preventing diversion of marijuana or marijuana product:

In conjunction with strict adherence to, and utilization of, the inventory control system, only authorized personnel will have access to unprocessed, processed, and packaged marijuana. All marijuana after harvest, during processing/packaging, and held in inventory will be in restricted access areas under secure storage control. All marijuana will be under video monitoring.

Describe your policies and procedures for preventing loitering:

The facility will not at any time be open to the public.

Describe your policies and procedures regarding the use of any additional security device, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm to enhance security of the proposed premises:

Exterior motion lighting is located throughout the entire property to alert owners who live on premise. In the event of a robbery or intrusion, local authorities will be called.



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

Describe your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when any automatic or electronic notification system alerts a local law enforcement agency of an unauthorized breach of security:

In the event of a breach of premises security, local authorities will be notified. If entry was gained and marijuana product was somehow accessed in its secured storage location, an immediate inventory will be conducted and the loss reported to law enforcement, AMCO, and to the METRC inventory control system.

### Video Surveillance (3 AAC 306.720):

All licensed marijuana establishments must meet minimum standards for surveillance equipment. Applicants should be able to answer "Yes" to all items below.

Video surveillance and camera recording system covers the following areas of the premises:	Yes	No
Each restricted access area and each entrance to a restricted access area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Both the interior and exterior of each entrance to the facility	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Each point of sale area	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Each video surveillance recording:	Yes	No
Is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Clearly and accurately displays the time and date	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is archived in a format that does not permit alteration of the recorded image, so that the images can readily be authenticated	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

Exterior entrance: An exterior camera is mounted at a height not easily reached to be vandalized and damaged, and sufficient to provide a clear view of all persons within 20' of the entrance.

Interior cameras: One camera will be placed at entrance to offer clear identification of all persons entering and exiting the building. Additional cameras are mounted in the facility offering a clear unimpeded view of the entire operation including growing, cultivation, processing and storage.

Describe the locked and secure area where video surveillance recording equipment and records will be housed and stored and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the board:

All video surveillance recording equipment will be located in a locked cabinet in the facility. Files will be backed up on to an external hard drive on a daily basis and stored in a locked fireproof box in the owner's private office.

**Location of Surveillance Equipment and Video Surveillance Records:**

Yes No

Surveillance room or area is clearly defined on the premises diagram

Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area

Surveillance recording equipment access is limited to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including an agent of the board

Video surveillance records are stored off-site



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

**Business Records (3 AAC 306.755):**

All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records. Applicants should be able to answer "Yes" to all items below.

**Business Records Maintained and Kept on the Licensed Premises:**

Yes No

All books and records necessary to fully account for each business transaction conducted under its license for the current year and three preceding calendar years; records for the last six months are maintained on the marijuana establishment's licensed premises; older records may be archived on or off-premises

A current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment

The business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises

Records related to advertising and marketing

A current diagram of the licensed premises including each restricted access area

A log recording the name, and date and time of entry of each visitor permitted into a restricted access area

All records normally retained for tax purposes

Accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed

Transportation records for marijuana and marijuana product as required under 3 AAC 306.750(f)



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

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A marijuana establishment is required to exercise due diligence in preserving and maintained all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

All paper records that are required to be maintained on the premises will be kept in a locked fireproof file cabinet. Paper records will also be scanned into electronic pdf format. All electronic records will be backed up to hard drive storage and all records required to be maintained will be maintained at the marijuana establishment.



Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

## Section 3 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730, and identify how the proposed establishment will meet the listed requirements.

All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with the system the board implements to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

Applicants should be able to answer "Yes" to all items below.

**Marijuana Tracking and Weighing:**

Yes No

A marijuana inventory tracking system, capable of sharing information with the system the board implements to ensure tracking for the reasons listed above, will be used

All marijuana delivered to a marijuana establishment will be weighed on a scale certified in compliance with 3 AAC 306.745

Describe the marijuana tracking system that you plan to use and how you will ensure that it is capable of sharing information with the system the board implements:

We will use the Metrc system required by the state. One of our licensees has attended the system training and received certification.



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

### Section 4 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700, and identify how the proposed establishment will meet the listed requirements.

A marijuana establishment and each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

Applicants should be able to answer "Yes" to all items below.

**Marijuana Handler Permit:**

Yes No

Each licensee, employee, or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment

Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the premises of a retail marijuana store, marijuana cultivation facility, or marijuana product manufacturing facility) when on the licensed premises

Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired

Describe how your establishment will meet the requirements for employee qualifications and training:

All licensees will meet the State/AMCO requirement to obtain a marijuana handler permit from an authorized training provider. 2 of our licensees have attended the training and received certification.



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

### Section 5 – Waste Disposal

Review the requirements under 3 AAC 306.740, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to the statement below.

**Marijuana Waste Disposal:**

Yes No

The marijuana establishment shall give the board at least 3 days notice in the marijuana inventory tracking system required under 3 AAC 306.730 before making the waste unusable and disposing of it

Describe how you will store, manage, and dispose of any solid or liquid waste, including wastewater generated during marijuana cultivation, production, process, testing, or retail sales, in compliance with applicable federal, state, and local laws and regulations:

Our cultivation operation utilizes all organic nutrient rich soil medium. It is not anticipated to have any wastewater, or minimal amounts from growing operations. Solid waste will be held in waste bins in our designated waste disposal area for the State required 3 day notice period. The ground waste will be mixed with no less than equal quantities of other types of organic waste and compostable material, which will then be recycled into our cultivation operation.

Describe what material or materials you will mix with the ground marijuana waste to make it unusable:

All marijuana plant waste will be mixed with other green waste and other compostable materials. These materials may compose of composted soil, peat, leaves and lawn clippings, and ground up cardboard and newspapers.



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

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Marijuana waste must be rendered unusable for any purpose for which it was grown or produced before it leaves the marijuana establishment. Describe the process or processes that you will use to make the marijuana plant waste unusable:

All marijuana waste will be ground and processed on site, and recycled for internal cultivation usage. Waste will be made unusable by adding it to compostable material including lawn clippings, cardboard, newspaper, and food waste.



Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

## Section 6 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750, and identify how the proposed establishment will meet the listed requirements.

Applicants should be able to answer "Yes" to all items below.

**Marijuana Transportation:**

Yes No

The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700

The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle

The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport

During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport

Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment

When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received

The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest



Alaska Marijuana Control Board

**Form MJ-01: Marijuana Establishment Operating Plan**

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Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment:

Marijuana will be trimmed and hung to dry in a humidity controlled environment. After marijuana bud is dried, trimmed, cured and tested, it will be packaged per State regulations.

Describe the type of locked, safe, and secure storage compartments that will be used in any vehicles transporting marijuana or marijuana product:

All marijuana will be placed in locked containers and transported in a vehicle with locked side boxes in a 2012 Dodge RAM owned by licensee, and transported only by licensee.



Alaska Marijuana Control Board

# Form MJ-01: Marijuana Establishment Operating Plan

## Section 7 – Signage and Advertising

Describe any signs that you intend to post on your establishment with your business name, including quantity and dimensions:

There are no advertisement signs posted on the property. We will have one 12x12 sign saying "No Smoking" within 20 ft of the facility and one 12x12 sign saying "Restricted Access" on the entrance door to the facility.

If you are not applying for a retail marijuana store license, you do not need to complete the rest of Section 7, including Page 17.

### Restriction on advertising of marijuana and marijuana products (3 AAC 306.360):

All licensed retail marijuana stores must meet minimum standards for signage and advertising.

Applicants should be able to answer "Agree" to all items below.

No advertisement for marijuana or marijuana product will contain any statement or illustration that:

Agree Disagree

Is false or misleading

Promotes excessive consumption

Represents that the use of marijuana has curative or therapeutic effects

Depicts a person under the age of 21 consuming marijuana

Includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana



Alaska Marijuana Control Board

## Form MJ-01: Marijuana Establishment Operating Plan

No advertisement for marijuana or marijuana product will be placed:

Agree Disagree

Within one thousand feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21

On or in a public transit vehicle or public transit shelter

On or in a publicly owned or operated property

Within 1000 feet of a substance abuse or treatment facility

On a campus for post-secondary education

Signage and Promotional Materials:

Agree Disagree

I understand and agree to follow the limitations for signs under 3 AAC 306.360(a)

The retail marijuana store will not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage sale of marijuana or marijuana products

All advertising for marijuana or any marijuana product will contain the warnings required under 3 AAC 306.360(e)



# Form MJ-01: Marijuana Establishment Operating Plan

## Section 8 - Control Plan for Persons Under the Age of 21

Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

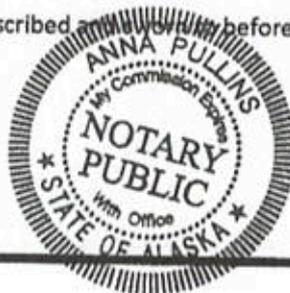
The facility will be not open to the public and is located on private property. The facility entrance will be secured from unauthorized entry and under video surveillance. All visitors will have their ID checked before allowed to enter. Visitors will be recorded in a log as described in a previous section and their ID will be reported. Visitors will be required to wear badges at all times while in the building.

I declare under penalty of perjury that I have examined this form, including all accompanying schedules and statements, and to the best of my knowledge and belief find it to be true, correct, and complete.

Elizabeth DeMass  
Signature of licensee

Elizabeth DeMass  
Printed name

Subscribed and sworn to before me this 1st day of April, 2016.



Anna Pullins  
Notary Public in and for the State of Alaska.

My commission expires: with office