



**Marijuana Control Board
Meeting Minutes
November 13
Third Judicial District
3301 Eagle Street
Department of Labor Job Center
Anchorage, Alaska**

● **ADMINISTRATION**

9:01 am

A. Call to Order

B. Roll Call

Board Members Present

Mark Springer, Rural Member, Board Chair

Loren Jones, Public Health, Vice Chair

Nick Miller, Industry Member

Bruce Schulte, Public Member

Christopher Jaime, Public Safety Member

Staff Present

Erika McConnell, Director

Mikal Martin, Records and Licensing Supervisor

Counsel Present

Joan Wilson, Assistant Attorney General

C. Approval of Agenda

Erika McConnell asks to add consideration of a retail store application for license 22091 Green Raven that had been left off of the original agenda.

Loren Jones moves to add consideration of license 22091 Green Raven as Tab 37.5 and approve the agenda.

Bruce Schulte seconds the motion.

No other additions are requested

Mark Springer states that after Tab 15, lunch will be called.

None opposed, motion carries.

D. Approval of the September 11-13, 2019, Meeting Minutes

TAB 1

Loren Jones moves to approve the meeting minutes for the September 11-13, 2019 MCB Meeting.

Christopher Jaime seconds the motion.

None opposed, motion carries.

E. Approval of the October 22, 2019, Meeting Minutes

TAB 2

Loren Jones moves to approve the meeting minutes for the October 22, 2019 MCB Meeting.

Bruce Schulte seconds the motion.

None opposed, motion carries.

● **BOARD GOVERNANCE**

9:04am

Mark Springer introduces Joan Wilson, new Assistant Attorney General and counsel to the board after summary transfer of Harriet Milks

Joan Wilson states that she is pleased to be stepping into Harriet's shoes. She reminds the board that as board members they are subject to the executive ethics act and must be aware of conflicts or potential change of position or ex parte conversations.

Mark Springer states that it can be disclosed under this item or if it arises.

Joan Wilson states that for today she requests cell phones be turned off to avoid ex parte contact.

No changes are reported by any board member at this time.

Joan Wilson clarifies she will be leaving for a time today, but her assistant is present who can communicate with her.

● **PUBLIC TESTIMONY**

9:06am

Public testimony is limited to issues not on this agenda and that are not proposed regulations. Written comments may also be submitted to the board for review during its next regular meeting via marijuana@alaska.gov. The call-in number is 1-800-315-6338, code 69176#. (Testimony on agenda items may occur when that item is addressed during the meeting. Testimony on regulations projects shall only occur when an oral hearing is publicly noticed.)

Caleb Saunders testifies as a Green Jar licensee. He discusses the METRC trainer giving direction against Alaska regulation. He found the information not correct, and found the training to provide inappropriate information. He is not surprised there are METRC issues when misinformation is present. He states that those who continue to violate rules should be fined. METRC should be held to the same standard as the state and licensees. This creates an unfair climate.

Bruce Schulte asks about the referenced METRC transportation issue in the board packet.

Tina Smith, AMIA board member discusses the public comment submitted. She references AMCOs staff wait times on applications. She urges AMCO to create and maintain a database of all products to maintain consistency.

Mark Springer asks about the product lists requests.

Tina Smith clarifies that she wishes that the public be shown the products that are up for approval. She states that certain approval process are not consistent.

Cary Carrigan, AMIA Executive Director discusses NOVs that are being monetized. He references audio not being posted to the website and lack of timely communication. He discusses the lack of vision from the AMCO office.

Mark Springer asks about the transparency in regulations comment and states licensees listen to the board meetings.

Cary Carrigan discusses the lack of audio available after meetings with Mark Springer.

Cary Carrigan states that the regulations discussions are not robust.

Bruce Schulte asks about the letter provided to marijuana mailbox that references the TSA marijuana transportation issues.

Cary Carrigan states that part of that is related to the tourist season.

Bruce Schulte asks if it is Cary Carrigan's impression that TSA is on board with the transportation; as long as it is manifested, they're comfortable with the transport within the state.

Cary Carrigan confirms that is his understanding.

Charlie Hanes, AMIA VP discusses enforcements lack of response and how licensees are afraid of self-reporting. He requests consideration for self-reports such as written warnings. Education should occur to prevent compliance issues. Licensees should be read their rights and provided counsel when interrogation occurs.

Mark Springer asks if Charlie Hanes is aware that Enforcement is a civil matter, not criminal. He also discusses that the AMCO staff purportedly refuses to formalize the response. He asks if the licensees are requesting response via email by submitting email inquiries and asks why no one takes notes regarding enforcement discussions.

Charlie Hanes states that these are issues that the members are bringing to the AMIA to bring to the board.

Bruce Schulte states that they are here to represent the industry association, he asks if Charlie Hanes knows if the licensees feel uncomfortable bringing these issues forward themselves.

Charlie Hanes states it depends on the individual. There are examples of positive communication but not for these concerns they have brought forward.

Leif Able, AMIA board member discusses regulatory inconsistency. Regulatory interpretation is vital to their business. He discusses the lack of specific approval of an action in regulation being interpreted to forbid that action. He discusses the METRC issues brought up previously regarding the METRC changes being de-facto regulation changes. He states that AMIA expects the METRC trainings to be more informative. He expects licenses to be consulted and states that METRC is uninformed.

Bruce Schulte asks if there is a focus group or committee that licensees can participate in to provide informal input regarding how AMCO is functioning.

Erika McConnell states that there is no such committee at this time.

Bruce Schulte states that it appears that one solution might be to establish the industry liaison.

Mark Springer states that there were comments regarding METRC training being inaccurate, does staff attend METRC trainings and is there an audit process.

Erika McConnell states that staff did not attend the most recent METRC trainings, but there is some information she knows was inappropriate to Alaska law provided. She is in talks with the METRC leadership regarding how to improve knowledge of METRC training. The training will be first provided to staff and then licensees.

Mark Springer states he doesn't defend METRCs actions.

Nick Miller states that he did attend the METRC training. The first class was terrible, the instructor was combative and bad. The second class was much different but he was disappointed with what was being taught. The "advanced" class was useless. He states that there should be a user group including industry members and a staff member. He looks forward to improvements.

*Mark Springer opens the phones.
No one is present at this time to testify.*

Dave Lanning, Arctic Bakery 16006 discusses the lack of notice for new products for review at this meeting. He was disappointed to learn that the applications and MJ-16s were not included. He was stunned when he saw just two products on the meeting out of 32 applications. He questions the notice staff is providing. He feels staff has not provided adequate notice. This is unacceptable. People are unhappy.

Mark Springer asks if it is appropriate to discuss due to ombudsman involvement in the matter. He read complaint but does not know if it's appropriate.

Joan Wilson states that the ombudsman is a separate process and the board can discuss the matter.

Bruce Schulte asks when the products were submitted.

Dave Lanning indicates they were submitted 2 days before the deadline.

Bruce Schulte asks what reason was received for not being included.

Dave Lanning states that the reason given was that there was not ample time to review the application.

Bruce Schulte asks about other products that the applicant has that were previously approved.

Dave Lanning states that there are about 15-20 approved currently for his establishment.

Christopher Jaime asks for accurate numbers regarding submissions.

Erika McConnell states that review is done in order of submission and submitting something 2 days before the completed application deadline is not sufficient. She discusses review time and that if there are 19 people ahead of Lanning's application, there were 19 ahead of him that also wanted to be reviewed before the deadline.

Christopher Jaime asks about a deadline adjustment.

Erika McConnell states that the board meeting deadline must find balance between not requiring things so early that it's impractical for applicants vs so late that staff cannot complete the packets for board review. The staff attempts to provide things a week before the board meetings for board review and to the public. The deadline is the deadline for applications to be deemed complete not submitted, they could create a submitted and a deemed complete deadline. There could be more upfront time but that would mean the documents are required to be submitted a month ahead of time. The date is difficult to determine.

Bruce Schulte asks about staff resources and time. What types of material that comes before the board

Erika McConnell states that the board directed prioritization of transfer applications otherwise its first come first served.

Bruce Schulte asks what takes time

Mikal Martin discusses products being one of the items that takes the most amount of staff time to review. She states if the board wishes to change priorities they can direct staff to prioritize certain review, otherwise it's the order in which applications are received to ensure equitable treatment.

Erika McConnell addresses staff changes and examiners. She references the renewal period for alcohol having begun which slows down review.

Mark Springer states that in the packet to the ombudsman an email is included from the marijuana licensing tema. There is an email that discusses the staff wait time that warns him that his submission will not likely be reviewed. He states that the individual was notified the application may not be reviewed.

Dave Lanning points out that the ombudsmans office was contacted for honorable negation rather than going directly to the court system.

Mark Springer states that the right thing is for the legislature to provide more staff.

Dave Lanning suggests regulatory reduction to decrease application difficulty.

Lacy Wilcox, AMIA president discusses the AMIA concerns and summarizes the take away from the discussion. Robust working groups, recognition of the industry validity, and better licensee

communication are vital. Mistakes should be better handled through self-reporting, they ask for reasonable judgement to be used. She thanks the board and looks forward to working with them.

Lisa Coets (Herban Extracts) discusses the METRC workshop discussion that occurred regarding an additional driver allowance in METRC. She was disappointed to find out that it was not available for the state of Alaska. She asks the board to allow the feature. She asks that the gross package weight measurement be changed. The unit of measure "units" should be allowable. For example, allowing a unit to be 30, ½ gram vape packages. She expresses concern regarding the allowance for product manufacturers to process failed material. She is concerned about the micro-toxins produced by aspergillus. They have class 1 toxicity and can survive over 150 degrees Celsius. She felt a discussion should have occurred when there was waste held for an extended period of time but allowed to be processed. She comments on the directors' report for the board that discusses a transaction between Herban Extracts and Lady Gray Edibles.

Jana Weltzin, counsel for Lady Gray, asks if the board has questions regarding this matter.

The board decides to first discuss the micro toxin issue. Mark Springer states that the board has lost their expert and now no one else has expertise.

Lisa Coets discusses this being a concern.

Bruce Schulte state that this may be impetus to re-establish the testing working group.

Mark Springer states that the point is well taken.

Bruce Schulte asks if, when a product fails a test and is approved go into a concentrate, doesn't that concentrate get tested?

Lisa Coetes says micro toxins are not a required test.

Jana Weltzin, Lady Gray and Herban Extracts discusses the reference to the directors report that implies "diversions" occurred. Lady Gray does not "repackage" products. She states that stickers are just put on the existing package.

Lisa Coetes state that the missing 10.8 grams are not diversion, there is normal loss during cartridge creation and transference of waste. She states that there is implication of problems in the report but no contact to the licensee warning them of consideration.

Jana Weltzin states that this is another example of a criminal allegation regarding diversion without contacting the licensee. She would appreciate AMCO being more mindful of licensee's reputations. She discusses their concern about the public document having these statements that they do not have a chance to respond to.

Mark Springer clarifies that this is an example of a different matter that the board wished to discuss.

Erika McConnell states that she doesn't understand how the report is interpreted as criminal assertion. This was a request to the board asking if the situation is appropriate, as is her duty. The board asked for more detail regarding this situation when she first brought it to them as a general question previously. She states that she found the loss odd. She sent an email to enforcement to ask about the matter. These

statements were not allegations, she simply could not explain what happened and was sure that the board was going to ask.

Jana Weltzin confirms that this process is like making muffins where some of the batter falls out of the pan and it sounds like implied diversion in the director's report.

James Hoelscher states that the director asked them to investigate the issue to see if this is a common occurrence. He has not assigned the matter to an investigator. This is being researched in other states.

Bruce Schulte states that they are jumping ahead to the report, and this could be addressed in the "licensee as distributor" section.

Mark Springer asks that this be discussed at the directors' report.

Bruce Schulte states that his question is could this issue not be presented in the way the first paragraph of the directors' report was without business names etc. Could that not have been done and if not, why not?

Jana Weltzin states that if a business is mentioned, they should be given a chance to respond or a heads up. She doesn't believe that her clients did anything wrong.

Mark Springer opens the phone lines and when no one comes forward via phone states that at the end the phone lines will be opened again.

Barrett Goodale, cultivation manager of good cannabis discusses the May 3 meeting where Chair Springer suggests waste disposal and waste circulation regulations and no project was opened. July 10, a regulations project regarding a fine schedule was put out for public comment, when the notice was posted the notice did not discuss if the public comment was going to a working group or the board. The type of written public comment is different going to a working group vs to the board. Working groups are different in their knowledge of the matter at hand. Regarding the notice from AMCO stating that Tribal ID's cannot be accepted as proof of age, he finds that AMCO is correct in their interpretation, but he questions if this should be allowed.

Mark Springer thanks him for his testimony and states that you cannot buy cigarettes with a Tribal ID or liquor. The point about working groups is well taken.

Bruce Schulte states that the waste disposal project was mentioned and asked what he was concerned with.

Barrett Goodale states that the concerns would be brought forward if the project was opened. He references the marijuana mailbox comments regarding contaminated product being held in a facility.

Kirby Coman discusses pesticides and testing pesticides. The draft Hemp regulations set a good standard. He finds it should be regulated. He cares about public health. There should be a project opened. He references defining the word "Public" in the regulations. He also suggests that it be clarified in regulation that the handlers permit must be valid rather than just held.

Mark Springer thanks him for his testimony.

Joan Wilson discusses that she advises the division of Agriculture, Rob Carter works with them and that he would be happy to help the board. If a conflict of advisors arises the Department of Law would be able to address any conflict.

Bruce Schulte references the definition of “public”. This was discussed with the legislature in 2015. What context the request is referring to is important.

Kirby Coman states that for him, the important is if he has more than 5 people at his house it might be “public” to some people.

Bruce Schulte states that the context is public vs private consumption.

Kirby Coman confirms it’s the “public” consumption issue.

Cody Coman Trike Productions, a cannabis friendly event company echoes the request to define “public”. He doesn’t find something that prevents “private” events such as concerts. Current regulation defines a “public place” but not “public”. SB 63 discusses that public place is an area the public is invited or admitted. If the place is on private land and a ticket is required, is it open to the public, or private?

Bruce Schulte states that this is a question for legal, regarding what can be regulation vs statute. Does the board have the authority to redefine this?

Joan Wilson states that generally when a statute defines a term, the entire statute has meaning and it is the boards issue to apply the meaning. If the word is defined in statute, the regulation refers to the existing definition. She doesn’t have the expertise to assist at this time. There is precedent, but it’s difficult to determine.

Bruce Schulte thanks her. He acknowledges that the matter is problematic.

Cody Coman goes back to Joan Wilsons comment about the definition of public and states that “public” is not defined but in the original HB it defines “Public place”.

Joan Wilson states that if a statute is unclear or ambiguous and if there is a matter of agency expertise, the board may define terms. Non-definition by the legislature allows the board to define something.

Cody Coman asks if he is able to request that the definition be added.

Mark Springer states that the very first regulation for marijuana was the public consumption regulation which was written before the creation of the Marijuana Control Board. That would be resolved, has been talked about before, and may be addressed again. The ABC wrote the current regulation.

Cody Coman states that the comment was appreciated, and he’s not asking to condone for public consumption but in 17.38.121 it references cultivation sale and manufacture. He is stating that the board does not have the authority to do what it has regarding consumption. He asks the board to create a permit perhaps.

Mark Springer clarifies the reference was the ballot initiative that was amended. He states that the individual should review legislative history for the tobacco bill. The boards hands are tied by statute.

Bruce Schulte states that he has gone to concerts and understands the requests. This may be a legislative issue rather than a board one. The board's ability to regulate is limited and any expansion would need to come from the legislature. This could be analogous to a "wet" smoking area.

Cody Coman states that every event that happens in the state has public consumption. He discusses the smoking bill and asks the boards opinion of smoking bans.

Bruce Schulte states that the board can't give him an official position on the question. This is a legislative issue. The board cannot weigh in at this time.

Cody Coman states that he understands but the board had an event fined for public consumption so if the regulation can be enforced he hopes that the board can have input in the legal issues.

Mark Springer asks if the state regulations concert promoters. If so, he should review how those are written to review alcohol consumption.

Cody Coman thanks the board for their time. He appreciates the boards acceptance of feedback.

Mark Springer opens the phones for testimony. No one comes forward.

*Break is called 10:24 am
Joan Wilson leaves the meeting.
Break ends 10:46 am*

● **DIRECTOR BRIEFING**

10:46 am

A. Director's Report

TAB 3

*Erika McConnell summarizes her report as written in Tab 3.
She discusses quality control sampling from other licensees and then pauses for discussion.*

Mark Springer requests a regulation project be opened. He believes that the samples should be tested prior to sale.

Bruce Schulte asks how many pending regulations projects there are.

Mark Springer states that the list provided in the report is not finalized.

Erika McConnell discusses that there is a variety of regulation statuses.

Bruce Schulte asks if this is an ongoing problem that needs a regulatory solution.

Erika McConnell states that the referenced operations in her report were not in the original intent but the board may not have a problem with it.

Bruce Schulte asks if there were NOVs issued about this.

Erika McConnell states that there have not been NOVs issued for this.

Mark Springer asks about METRC quality control and if the transfer between licenses appeared in METRC. There is no current rule preventing sampling before testing. This is important to address.

Bruce Schulte moves to open the regulations project.

Nick Miller seconds the motion.

Bruce Schulte states that in general this seems to be a clarification of existing regulation. He finds this important so that clarity can be provided to remove interpretation does the motion include putting the project out for public comment?

Nick Miller states that he agrees with Bruce Schulte, the sample should be to an employee, not another licensee. The regulation needs change regardless of existing guidance provided today.

None opposed, motion carries.

Erika McConnell states that the second issue in her report is can a licensee distribute for another licensee. She provided specifics in her report because the board requested them. She states that there are no allegations of impropriety, she just wanted to clarify the boards intent.

Mark Springer states that he wishes there was a flowchart to discuss how things are moved. This is an instance where a line should be able to be drawn to show compliance.

Loren Jones states the applications and regulations regarding product movement discusses the movement of up to a five-pound bag for wholesale. Otherwise, the packaging rules must be followed. He finds it to be a different issue, this type of product could go to a retail store to get a sticker but is not "repackaged". There could be three labels due to product-product-retail transference and he finds the possibility of 3 labels confusing. Who does the testing? And how long ago was it tested? He has concerns about just putting on another label although the secondary manufacturer did nothing to the product. He doesn't have a solution at this time, but this was not contemplated originally when transfers were discussed. He is concerned about chain of custody.

Bruce Schulte asks the director if METRC can track products in this fashion where the product goes from manufacturer to manufacturer to retail.

Erika McConnell clarifies it can, although sometimes the METRC is not clear that the "repackaging" was putting oil into the cartridge. The product going from place to place is.

Bruce Schulte states that he agrees with Loren Jones that this was not previously contemplated. However, originally the board was unsure about how the industry would evolve. This is an opportunity to clarify in regulation that this is allowable. He supports clarification.

Nick Miller states that as a retailer, the store stickers are on all products they sell. The example product came from Lady Gray, this is a branding issue that doesn't need clarification and he doesn't want to waste time on this because he doesn't see it as being against the regulations. Doing the sticker is not repackaging.

Christopher Jaime agrees with Nick Miller, he doesn't care to add ambiguous regulations.

Erika McConnell discusses the availability of proficiency testing for marijuana and other items listed in the tab.

Mark Springer states that it appears there are failures, however the lists proved the industry can point to the fact that there is product being produced that is good. He also reads some of the statistics the director provided in her report

B. METRC Issues and Information

TAB 4

Erika McConnell summarizes the information provided in Tab 4. All bulletins that have been posted along with the user guides. She had wished to provide additional guidance regarding requirements vs options. This is a continuing discussion. She finds a user group to be a great idea but it is a resource issue but appears to be a priority so staff will review.

Bruce Schulte asks if there have been changes to METRC requested by AMCO staff that are not from regulation or board direction.

Erika McConnell states that at time staff has requested changes that are determined to assist regulatory compliance such as trade shows and gross weight changes. Staff requested the removal of ability to create packages out of nothing.

Bruce Schulte asks if such a request was made, would it be documented and if so why?

Erika McConnell states that sometimes METRC communications imply the state requests things that are not relevant to the state. More research is needed to document state requests. The licensees would receive the bulletin.

Bruce Schulte states that METRC is not tailored to Alaskan regulations. METRC sold the system as customizable but does not appear to be implementing that ability. There is a one size fits all solution that is not good.

Erika McConnell states that she cannot speak to the intent when the contract was created. She states that METRC can be contacted regarding customizations such as product IDs. They are able to create changes for a single state but she is not aware of the parameters of the customization.

Bruce Schulte asks when the contract with METRC expires.

Erika McConnell states that she believes that it's FY 2020.

Bruce Schulte asks about interest from contractors.

Erika McConnell states it would be an RFP (Request for Proposal) filed and that's how contractors would indicate interest.

Mark Springer clarifies that the board did not provide the contract specifications or see the contract. Bruce Schulte and Mark Springer discuss the METRC contract creation.

Bruce Schulte states that there are clearly issues and that he hopes the user group is established.

Mark Springer asks the director to invite administrative services regarding the contract to speak at the next meeting.

Erika McConnell agrees.

Mark Springer states the user group should have representatives from all license groups and from the AMCO office. Suggestions to the board are helpful.

Nick Miller comments that the user group needs an enforcement member. He moves to create a user group for METRC within 30 days

Bruce Schulte seconds the motion.

Mark Springer asks who all should be present for this user group.

Nick Miller states that he wants a representative from each license group, an administrative person from the office, and someone from enforcement.

None opposed, motion carries.

Mark Springer asks if a student may be interested in a process flow chart for the regulations. It may be helpful to have a flowchart to assist regulation reform. 9 regulation sections all interact and the only way to tie them together is to hire a lawyer.

C. Resolution of Appreciation for Harriet Milks

TAB 5

Loren Jones moves to adopt the resolution of appreciation.

Nick Miller seconds the motion.

Mark Springer reads the resolution into the record.

Christopher Jaime asks about her departure and why she left.

Mark Springer states that there was no reason given for why she was removed that had nothing to do with a violation, the attorney general decided to change the boards legal counsel.

Erika McConnell states she sent out multiple inquiries and got no response.

Bruce Schulte states that he disagrees with some of the assertions in the resolution. He will vote against it.

Mark Springer asks for discussion but no more is had.

Mark Springer and Loren Jones vote yes, Christopher Jaime Bruce Schulte and Nick Miller vote no. Motion fails 3-2.

Sara Oates, as an individual, asks to speak.

Mark Springer states that the board will not take public testimony at this time.

● ENFORCEMENT BRIEFING

11:24 am

A. Enforcement Supervisor's Report

TAB 6

James Hoelscher summarizes his report in Tab 6. He also states that regarding his culture and beliefs, working with the people being regulated, he has never taken the stance of mistreating anyone. One of his guiding principals is treating people with respect. He has never received a complaint of mistreatment of licensees. He has been working since 1994 and he has supervised multiple people who have done wrong and were overbearing. This is something he has always been against. He doesn't believe in bullies. The six investigators working for AMCO have been shown to be some of the most professional, polite and thoughtful people he has worked with. He understands that not everyone will be satisfied but the staff tries to correct any mistakes made. He states that he wants to be open to looking into complaints regarding his investigators. He takes allegations of mistreatment very seriously but that has not been shown to have occurred. He hopes licensees continue to self-report because it's the right thing to do. A violation notes that it is a self-report. This is provided to the board. Violations must be documented even if self-reported. He encourages the board to have discussions with licensees regarding how they are treated. Criminal investigations can be guided by the individual and they dictate how the investigation interaction occurs. He is happy to have comments from the board.

Bruce Schulte states he will wait until the report is finished.

James Hoelscher continues to summarize his report. He asks for questions.

Bruce Schulte asks about the distribution of time between alcohol and marijuana, and how many licensees there are in each section.

James Hoelscher states that a substantial number of NOVs on the marijuana side are non-payment of taxes. He emphasizes that for enforcement, if they make a mistake and immediately contact enforcement sometimes NOVs are not issued. Enforcement strives to be proactive.

James Hoelscher asks for clarification regarding exit packaging- licensees ask if product is placed in a personal bag, such as a recyclable bag, pocket, or purse, does this appear to be acceptable if the product is out of public view and secure.

Nick Miller states that this is a big issue, many customers want to put it in a backpack or pocket. The item needs to be out of public view and secured, he finds pockets or backpacks are acceptable.

Christopher Jaime agrees with Nick Miller.

Bruce Schulte does not disagree with Nick Miller but as a matter of process should this be done through a regulation project rather than board direction. As a matter of process, he would rather see this as a regulations project so that it can be traced back to the board.

James Hoelscher states that he agrees, this appears to be an appropriate solution.

Bruce Schulte asks how urgent this problem is.

James Hoelscher states that he has been to several retail stores and it is a current problem.

Nick Miller states that it is urgent. Customers are upset.

Bruce Schulte states that he visits retails periodically and has witnessed the same thing. He understands the urgency and even if a board position is taken a regulations project is necessary.

Mark Springer states he doesn't have a problem either way. Currently most packaging already meets the exit packaging requirements. People should be able to put things in pockets or grocery totes. He is okay giving leeway to enforcement to allow the "opaque device" to be a pocket or tote bag. The possible regulatory revision should be very simple to include customer provided bag or on their person.

Nick Miller states that the problem is that there is a percentage of packaging that is see through, those are the challenges. Those are the items that should be allowed in a pocket etc.

Mark Springer states that it's the property of the person once they leave the premises and it's not the purview of the board.

Bruce Schulte states that the draft regulation used to require every product to be in the opaque exit packaging. He finds it redundant to be in two sets of childproof and opaque packaging. He supports interpretation to allow that, if the package meets the requirements, what they put it in leaving the store is open.

Mark Springer asks if the board is okay to advise staff that as long as the individual walks through the door and the product purchased is in some sort of opaque container it's okay.

Nick Miller state that staff keeps discussing NOV's as communications, but he thinks that the NOV effect on business is not being considered. There was a bank in town that began serving cannabis businesses that asked about NOV's. An NOV would have prevented him from having a bank account. He is concerned insurance companies will assess risk based on NOV's. There are unintended consequences for the NOV's. Most are not a big deal but it is not considering the secondary services that this can block. There must be a different way to communicate.

James Hoelscher states that he appreciates that. Insurance companies ask AMCO about alcohol violations. Enforcement is there to report what violations occur, not to exacerbate things. The fine schedule allows more flexibility. Selling to a minor is a highest fine schedule item, the fine is huge as is the consequence, but the low frequency, high fines items are rare occurrences. He believes most licensees want to comply with regulations. Violations do paint a picture that it is worse than it is but when that's the only mechanism there's' not much to do.

Nick Miller asks the board to begin thought on another mechanism.

Bruce Schulte thanks James Hoelscher for his work. He acknowledges the stress that this morning must have had. He wants to talk to James Hoelscher about it. There is scathing feedback from the industry. One of the goals was to encourage black market operators to go legitimate. There are few hard numbers to go by, but does James Hoelscher believe they have achieved that.

James Hoelscher states that he believes this goal has not been achieved. The black-market is still strong. Some licensees also do the black-market thing. Enforcement doesn't see black market persecution. He finds title 11 adopting the civil definition of marijuana. Dabs/concentrates are a common form of illegal black-market sales. It's common to see sheets of dabs that can be transported under the law's noses. In the criminal world, those were considered a schedule four drug, now the water is muddied. It is no longer a felony. He finds the black-market concentrate thing to be still an issue. Public safety is a priority.

Bruce Schulte states that James Hoelscher touched on the core of his question, he asks if the current regulatory environment encourages black market people to go legit. He finds that the licensees and

public find it difficult to be successful in the legitimate business. Do black market operators want to go "legit"?

James Hoelscher states that he doesn't think black market people want to go "legit". He finds this to be a regulatory, process, and background check issue. When you allow something that was previously illegal, they will not want to deal with regulation.

Bruce Schulte asks about how the enforcement functions, when an investigation occurs, is that a criminal investigation or regulatory infraction.

James Hoelscher states that it depends on the investigation. If it's regulatory it's approached as a regulatory matter but if it possibly has criminal implications, it's criminal. He states that the people are not treated different regardless.

Bruce Schulte asks if enforcement advises licensees of their rights.

James Hoelscher states no, it's not a custodial matter or arrest.

Bruce Schulte asks if enforcement would advise them that they have the right to an attorney before they answer questions.

James Hoelscher states that they can get one but a criminal has right to attorney. He believes licensees should be open to communication, Enforcement is not trying to do a 'gotcha'. He finds it to be treading serious territory when a criminal charge is not being leveled or custodial charge. He is uncomfortable saying they can have a lawyer. This can be reported to the board and reminded it's a violation not to provide records. He will not press investigators to allow for attorney because it doesn't meet the criteria unless it's criminal. If it's criminal, his first words are introduction and statement that they don't need to speak to him. There is misunderstanding of Miranda rights because people watch too many movies. Many things must be considered when someone is read their rights. Civil violations are not required to have people be read their rights.

Bruce Schulte brings this up because the board has been reminded that enforcement staff is law enforcement. This means different things to different people. When an APD officer asks questions, he has the opportunity to stop the conversation and ask for a lawyer. He doesn't feel that that right is as obvious when speaking to enforcement. The board has been asked to grant authority to enforcement staff and it seems like staff enjoys authority of law enforcement without the legal requirements.

James Hoelscher asks for an example of this occurring and he can say that it rarely if ever occurs. He states that the enforcement team does not enjoy this authority, it is a requirement that the board has. If they wish enforcement to deal with crimes, the enforcement team must have that authority at that time. Regulations based on statutes are simply civil rather than criminal. Law enforcement deals with criminal and civil aspects. If every time people talking to AMCO are getting an attorney, how is that going to work?

Bruce Schulte asks to move forward, James Hoelscher asks what the determination was.

Mark Springer asks the public safety member to discuss the description of the difference between civil and criminal issues.

Christopher Jaime states that he has fallen on standard interview procedures and he finds James Hoelscher's statements are correct there may be a misunderstanding on the part of licensees.

Bruce Schulte asks about a question brought before the board years ago when the board told enforcement to interpret the regulations. He asks if the enforcement is interpreting regulations.

James Hoelscher states no, they are not interpreting still. The interpretation was that enforcement powers also extended to the public. The board voted to allow enforcement authorities on non-licensees in some cases.

Bruce Schulte clarifies he was referencing a different issue.

James Hoelscher states that he brings interpretations to the director, then attorney and then the board for clarification. He states that there is a pattern of escalation including the board.

Lunch break is called at 12:08 pm.

Lunch is over 1:13 pm.

B. Notices of Violation Issued and Licensee Responses

TAB 7

Mark Springer states that this is generally an informational item for the board and asks if James Hoelscher wishes to highlight any items.

James Hoelscher reviews the NOVs and states that he just states that there are some NOVs that are very concerning and those are the ones that are addressed through accusations. There are serious allegations for Houston Grass Station and Calm n Collective. There are responses listed and there is still a pending investigation. Once the final investigations are provided to the director, it will not come before the board again.

Christopher Jaime asks for elaboration on the Houston Grass Station NOVs. James Hoelscher asks for Investigator Jeff Rukes to speak regarding this matter.

Jeff Rukes states that Ron Bass the owner for Houston Grass Station and Calm n Collective attempted to transport marijuana out of state. TSA stopped him, and airport police seized the marijuana and notified AMCO. He said it was for personal use out of state. It was over 4 oz of marijuana. There were also vape cartridges, joints, and other items outside the 4.6 oz of marijuana. No manifest was provided, and it was claimed to be marijuana for personal consumption. Charges were submitted but the matter was dismissed/not charged. Jeff Rukes investigated the evidence taken by the TSA.

James Hoelscher states that all items appeared to be from the retail store and cultivation facility. The licensee was unable to provide the video due to plumbing issues that put the camera in the area in question out of commission.

Jeff Rukes states that video was requested of the drying room. There were markings and METRC tags on the packaging of the seized product. There was a plumbing leak and plumbing was in the grow facility. The sewer pipe on the wall ruptured and sprayed sewage on the plants. When he investigated the drying room, no water damage appeared but the one camera was ruined. However, Rukes says, it was

still operational. Only 21 days were saved on the specific camera that they required video from. Other ones were closer to the required amount. The Vivint cloud server system only records motion or door opening. Video was not provided. Witnesses state that the video was deleted. Visitor log and badges were not in compliance; less than half of the log was correct.

James Hoelscher states that the NOV's are provided now with responses. The visitor log NOV has not received a response. The number of entries with clearly made up names were concerning.

Jeff Rukes states that there was a NOV for video of visitor badges not being evident on a rap video that was filmed in the establishment. Additionally, employee badges not being worn was an issue. For the packaging seized at the airport, the joint containers had a METRC tag, but 3-4 others did not have tags. When questioned about the matter, Rukes says, Ron Bass stated that when you purchase multiples you do not get a sticker on each.

James Hoelscher states that there is a lot of detail in the report that will be provided to the board. He hit on the high points that need to be addressed and as soon as the investigation is complete, the matter will be brought before the director.

Bruce Schulte asks about the material being taken out of state, what was it?

Jeff Rukes states that there was bud and trim in the joints. Some seeds were present METRC tags. The baggie had seeds that purportedly came back to Houston Grass with a trim bag. It is concerning that seeds were removed from the facility rather than wasted or transferred.

| | | |
|--------------------------|--|---------------------|
| 1. License 16610: | Great Northern Cannabis | <u>TAB 8</u> |
| Licensee: | Great Northern Retail Stores, Inc. | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 1901 W Dimond Boulevard Anchorage, AK 99515 | |

Notice of Violation #AM191456

John Redden, Great Northern Cannabis, legal counsel is present in person.

Erika McConnell states that the licensee asked for the hearing and no proper notice was given because it was at the licensee's request.

John Redden states that he still reserves the right to appeal based on the lack of notice.

James Hoelscher summarizes the tab and NOV.

John Redden states that the written response stands on its own, but he finds the citation inappropriate. The referenced law says you can't giveaway marijuana but the coupons didn't allow provision of free product without the purchase of cannabis. He admits Plinko is a sale related game, but not consumption inducing. He finds the regulation to relate to the consumption not sale and no consumption occurred. He does not find there to be a violation.

James Hoelscher states that he agrees that they did not give away free marijuana, however, he questions if this promotes a sale. If this is not intended to apply to sales, why is it here rather than the onsite consumption section. In the promotion of additional sale, does it promote consumption?

Mark Springer states that the key phrase is "Giveaway" the product, not sell. It relates to just consumption or giveaway. Mark Springer discusses the Plinko game specifics and asks about "item" language.

John Redden clarifies it's up to the discretion of the customer what the "item" is.

Mark Springer states that money is changing hands and applicants limit entry to once a day. The legal limits must be observed and asks how sales are tracked.

John Redden states that sales from this are tracked like any other sales.

Mark Springer asks if other places offer discounts on marijuana.

James Hoelscher states that other places do discount marijuana and products. No pricing or marketing restrictions are in place like they are for alcohol. If giveaway coupons aren't the same as free marijuana how do you differentiate between the two? If winning was guaranteed would purchase be increased and possible overconsumption occur? This may lead individuals to higher purchases.

Nick Miller states that in the notes from previous meetings the discussion has been had, one of the things that was added was "consumption" to allow promotions as long as marijuana wasn't consumed onsite. This was to allow advertising and promotional opportunities. He agrees there was no NOV. Draft regulations and notes will clarify.

Mark Springer asks how the events work.

John Redden states that many people bypass the Plinko game.

Mark Springer asks if people can lose the Plinko game.

John Redden states that people can feel like losers if they don't get their desired coupon but no losing option occurs.

Mark Springer states that as long as the retailer ensures that the customer with or without winnings are not going over the legal purchase limit, he can't see how the Plinko game encourages overconsumption. Promotions and customer development are allowed. Maybe this could be considered more deeply but he finds this to be something he can't see as violation occurring.

Bruce Schulte asks if the NOV can be dismissed, and if so, what happens?

James Hoelscher states that the proper thing would be for the Board Action Letter to state that it has been dismissed to provide record of the dismissal with the NOV.

Bruce Schulte has a concern that the NOV record can reflect negatively on the business.

John Redden state that he agrees with Bruce Schulte, the request to the board would be that, since this can affect their licenses substantially, he asks that the decision remove the NOV from the record.

James Hoelscher doesn't disagree, but he would like documentation regarding the dismissal. This could go into a different folder for NOVs dismissed by the Board.

Mark Springer asks if it's okay to leave the technical process to the director and attorney if the NOV is dismissed.

Bruce Schulte states as long as the NOV won't effect the business.

John Redden states that as long as it's not researchable as an NOV received by the license, he's okay with it. He feels like this might be a good way for a discussion to begin to remove things from the record in some way.

James Hoelscher states that he agrees and if the MCB states it was not a violation, it is more weight than getting rid of it completely.

Mark Springer states that if they vote to dismiss the NOV they can develop board correspondence.

Bruce Schulte moves that the board rule the NOV not a violation and that it be removed from the official record of NOVs and it not be offered up or made available to any 3rd parties.

Nick Miller seconds the motion.

Loren Jones states he will vote no because the notion that this will not resurface or not be researchable. Court view has ways to search dismissed cases. It's important to know where these dismissed charges/NOVs are located. He doesn't mind saying it isn't a violation but objects to removing it completely from the record.

Kevin Higgins, AAG states that the public records act means that there will be a record and this will be discoverable.

Mark Springer thanks him, there is no way to remove these from the record.

John Redden states that the overall thought process is that there should be an alternative, notice of alleged violation. There's a difference between a record of truth and what is not as charged. The title of NOV means it implies a violation occurs.

Mark Springer states that the fine print is a notice that an alleged violation has occurred. The record should show that the board has dismissed the NOV.

Bruce Schulte states he needs to withdraw and restate his motion.

Nick Miller and Bruce Schulte withdraw the motion and second.

Bruce Schulte moves that the board votes to find the alleged violation without merit and that the NOV be dismissed.

Nick Miller seconds the motion.

None opposed, motion carries.

C. Notices of Violation for Unpaid Taxes

TAB 9

Mark Springer asks about the number of notices from revenue.

Erika McConnell asks for clarification.

Mark Springer asks if these people are all currently delinquent or on payment plans.

Erika McConnell states that she is unsure. These are people who have been delinquent for 3 out of the last 6 months listed on the agenda for consideration.

D. Accusation Hearings

| | | |
|--------------------------|--|----------------------|
| 1. License 10050: | Rainforest Farms, LLC | <u>TAB 10</u> |
| Licensee: | Rainforest Farms, LLC | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 216 2 nd Street Juneau, AK 99801 | |

Erika McConnell summarizes Tab 10.

Mark Springer asks if Rainforest Farms is present.

James Barrett, licensee, and Mike Scarselli, representative of holder of purchase agreement, are present via phone.

James Barrett states that they are working on the transfer application. Part of the management agreement was to comply with all laws. WCC (manger) has abandoned the retail store so they are running it again and no longer working with that group. They have inherited all their employees, debts and taxes. It was his mistake that the fine was not sent, he can send it today if necessary. He asks the rest of the day to put a check in the mail and then the transfer process can be ended

Mark Springer clarifies this is a formal abandonment of the transfer.

James Barrett confirms.

Bruce Schulte asks if the retail store was operated under a valid license?

James Barrett states that the assembly protested the renewal once the group didn't pay sales tax, but ultimately it is on them.

Mark Springer asks Director McConnell about the initial issue.

Erika McConnell states that it was a transfer where the transfer already occurred without board approval.

Erika McConnell states she will need to review the August 20 meeting minutes, but management agreements are not accepted by the law for marijuana establishments at this time. She would need to review the record regarding the agreement.

Mark Springer asks if the management agreement was exercised.

James Barrett states that he has retained ultimate responsibility despite any agreement being present. They have terminated any and all agreements.

Loren Jones states for the record that he serves on the City and Borough of Juneau assembly, when the issue came before the assembly he removed himself from the room. When the issue of local sales taxes arose, he recused himself to avoid a conflict.

Joan Wilson returns to the meeting at 2:00pm.

Mark Springer asks what the director would like to do about this matter.

Erika McConnell clarifies that a large portion of the fine was suspended pending a transfer that did not occur, so they need to act on the fine because the transfer did not and now will not occur.

Mark Springer asks for the board's decision.

Bruce Schulte states that the 30-thousand-dollar fine was predicated on the original transfer of the license, but the transfer was abandoned. Aside from that fact, they've been operating the store under a valid license.

Christopher Jaime states that the act of unapproved transfer occurred, and he must be subjected to a fine.

Loren Jones states that later, in Tab 23 regarding unpaid taxes, there is discussion on taxes on the grow operation. There are almost 100 thousand dollars behind in taxes. They have significant issues. He is not willing to dismiss the 30 but willing to accept the 2 thousand. He finds this a troubled business.

Mark Springer doesn't agree with dismissal of the 2 thousand.

Bruce Schulte moves to accept the reduced fine of 2,000 payable by the end of the month and take no further action.

Nick Miller seconds the motion.

None opposed, motion carries.

| | | |
|--------------------------|---|----------------------|
| 2. License 10174: | Parallel 64 LLC | <u>TAB 11</u> |
| Licensee: | Parallel 64 LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 2128 N Post Road | |
| | Anchorage, AK 99504 | |

Erika McConnell summarizes tab 11.

Anwar Amar-Rogers, licensee, offers to answer board questions.

Mark Springer asks if a defense was filed.

Anwar Amar-Rogers clarifies he filed for an appeal.

Mark Springer said Anwar Amar-Rogers was transporting marijuana from Anchorage to Fairbanks.

Anwar Amar-Rogers clarifies the accusation and asks for leniency and understanding. Product was transported from Anchorage to Fairbanks. Not all of it was carried in person. Some was put in a tote sealed with zip ties and locks. It was checked as baggage. Reading the transportation section(s) of

regulation, many regulations are subject to interpretation. They inferred that if the marijuana was secured and accompanied to check in, it would be enough supervision and control. He now understands it was not allowed. Until the advisory notice regarding this matter, this was not clear. They made a mistake but they ask for leniency. They try to be compliant and are in good standing. This was not a malicious or blatant disregard for regulations. There was a gray area regarding this. He asks for understanding.

Mark Springer asks how much product was in the tote.

Erika McConnell points out where in the tab that information is present.

Anwar Amar-Rogers states that usually they can support up to 30 pounds on the person but RAVYN air now allows them less.

Mark Springer states that when the tote was checked in, if the customer service agent was shown the manifest. Did he disclose it was marijuana?

Anwar Amar-Rogers states that he was a burglarized licensee years ago. For transport, only three bodies; state, seller, and buyer need to know about the transport.

Mark Springer asks what would have been done if they had been gotten to Fairbanks and the tote got bumped to a different flight.

Anwar Amar-Rogers states that they were able to view the package through the windows getting on and off the plane.

Mark Springer asks about the State of Alaska label.

Anwar Amar-Rogers claims it was included because the state of Alaska regulates the substance in the tote.

Bruce Schulte asks about the manifest, and why the product was checked.

Anwar Amar-Rogers states that the RAVYN airline doesn't allow as much carry-on luggage as other airlines.

Bruce Schulte asks where this was checked in the terminal.

Anwar Amar-Rogers states that he checked it at the gate by insisting on gate check.

Bruce Schulte explains the difference between gate check and regular bag check, and confirms with the licensee the bag was out of his site at some point before and after it got on the airplane.

Mark Springer asks about the zip ties and padlock. He asks what airport police reported to AMCO.

James Hoelscher states that Airport PD contacted Investigator Mike Chiesa.

Mark Springer asks if the airport police released the product back to Anwar Amar-Rogers.

Anwar Amar-Rogers states that they released the bag once the license was revealed.

Bruce Schulte asks why the referenced advisory was not included in the tab.

Anwar Amar-Rogers states that the 6-10 advisory notice states that marijuana cannot be checked as baggage.

Bruce Schulte asks if the advisory was accessible to the licensee.

Anwar Amar-Rogers states that the regulation does not discuss this matter specifically. Alaska is special due to transport requirements and he asks the board to address those transport issues.

James Hoelscher states that the advisory was written due to this incident. Checking baggage is a concern. Not all people working with bags are over 21. No licensee is present, and no access should be allowed to individuals under 21. He reminds the board that they specified in the past that they do not address airplanes and waterways. He sees a problem but believes the licensees should be responsible for the marijuana. He finds it concerning that a licensee would check the bag no matter what. He finds it concerning that "State of Alaska" was written on the bag. This licensee communicates clearly and he believes that they have learned their lesson but the violation still leaves questions. No false labeling should occur and transporters need to secure their marijuana.

Bruce Schulte states that the advisory notice was provided, and a licensee was retroactively held to the notice. He finds the problem to be the notion that the product was out of his control for a period of time. He finds a fine inappropriate and an advisory inappropriate and this to be a matter of regulation.

Bruce Schulte acknowledges that this was a violation, but unintentional. Transportation is a big problem.

Christopher Jaime states that there must be a deterrent for violations. Labeling was incorrect on the bag, and action must occur.

Nick Miller states that, as the industry member, he is frustrated with this type of thing. Part of the licensee duty is to review the meetings and review the notes. The 10 thousand dollar proposed fine is excessive, although a fine should be assessed. Doing this puts licensees at risk. The violation happened and he believes the fine should be assessed. To all licensees, doing things like this you put the rest of the licensees at risk. Be on your best behavior.

Mark Springer asks for motion to uphold the accusation with a fine.

***Bruce Schulte moves to uphold the accusation and apply a 1,000 fine.
Nick Miller seconds the motion.***

Mark Springer states he was thinking 2500.

Bruce Schulte states that the amount is arbitrary. 1,000 is a chunk of change for him.

Mark Springer states that he trusts that what Nick Miller says is taken to heart, discussing transportation has taken a lot of time. He won't oppose the 1,000 fine.

None opposed, motion carries.

3. License 10097:

Licensee:
License Type:
Premises Address:

Raspberry Roots

Raspberry Roots, LLC
Marijuana Retail Store
501 Raspberry Road, Suite 101
Anchorage, AK 99518

TAB 12

Jana Weltzin, counsel, and Kim Cole are present in person.

Erika McConnell summarizes Tab 12. She states that there has been a response received to this violation.

Jana Weltzin states that a response to the NOV was provided last week. Erika McConnell clarifies that it was provided to the board previously but not in the tabs to the public. She iterates that the response was provided when the NOV was received. Jana states that this violation was 13 days into when the retail began operating. She describes the training of the individuals in question. They were supervised while dealing with customers. She states that the NOV was disturbing because it doesn't talk about where this information came from. This was 17 months ago, why this didn't come up at renewal, and why wasn't the accusation delivered within the year. This sets the tone that NOVs can come back to hurt licensees years later. Jana asks that the accusation be dismissed based on the time it took to receive this NOV. She acknowledges that Jerry Workman, second licensee is present.

Bruce Schulte asks why it took so long to provide an accusation regarding this matter.

Erika McConnell states that this is related to the investigations into the Raspberry Roots cultivation and retail were written at the same time. The licensee has requested postponement of the cultivation hearing to have sufficient time to prepare response. This item is separated from the other matter.

Bruce Schulte asks why it took 17 months from the infraction to have an accusation issued.

Erika McConnell states that enforcements report packaged this item and the other matters together and they were addressed together but as two separate NOVs.

Bruce Schulte asks why this was broken out at this time.

Erika McConnell states that the licensee requested a delay for both and the delay was granted to the cultivation but not found appropriate for this license.

Jana Weltzin states that this has been in front of the board at renewal and there were no questions at that time. Every renewal includes NOVs from that period. She is confident that the response was submitted with renewal as well.

Bruce Schulte states that training took place on Sunday and then Monday the handler's cards were attained.

Kim Cole states that handler's cards used to be only issued on certain days.

Bruce Schulte states that the earliest opportunity to receive a card was on the day that they got it.

Mark Springer asks when the test was scored.

Jana Weltzin states that exhibit c shows it was 4/26/2018 4/29/2018. Before the incident occurred.

Christopher Jaime states that AMCO dropped the ball and 17 months is unacceptable. However, a violation occurred and a fine must be assessed. He apologizes for the time that it has taken to address this matter.

Mark Springer asks for the length of time it took to be explained by enforcement.

James Hoelscher states that there is no explanation but that this matter was handled as a bundle with the other matters from the other license. The individual who issues handlers card at the time was the one to overhear that sales were made. He agrees 17 months is a long time. But for the record the NOV was written May 2 and then delivered in person on May 22. The response occurred on May 7, prior to the NOV being provided. He discusses the confusion regarding the communication with AMCO staff. He states that Investigator Rukes did state that the licensee is not required to respond. He found that her response was adequate. James also states that the response was never sent per the NOV instructions to the enforcement email.

Jana Weltzin states she is unsure which pages James Hoelscher is referring to. She reads the email string between Cole and Rukes.

James Hoelscher states that all responses should go to the enforcement inbox, enforcement is addressing the internal communication issue. This should not cloud the issue.

Erika McConnell clarifies the language in the email.

Bruce Schulte states he is troubled, this was self-disclosed and the steps were taken in the wrong order but the licensee self-disclosed the transgression. Was there discussion regarding the making it right, should it have been a warning. 10 thousand is a big hammer.

Jeff Rukes clarifies there was no self-disclosure, the criminal justice technician heard the individuals discussing it. Rukes states he talked to Cole and at the time of the "self-disclosure" the licensee was notified of the upcoming NOV verbally.

Jana Weltzin asks why in the NOV it was not identified that an enforcement officer or agent overheard the discussion.

Jeff Rukes states that an NOV is a small summary of facts. Normally reports go with them.

Erika McConnell comments, regarding the 10 thousand, that the regulation states that the board can set the fine amount. The only guidance given to her is that section, she doesn't believe the board has ever assessed the fines she suggests. She uses the guidance set forth as a starting point for the board to go off.

Nick Miller states that they have seen the NOV at least once, maybe twice. The NOV that was issued has consequences itself.

Jana Weltzin states that the old NOV is costing the business.

Nick Miller moves to dismiss the accusation; the NOV stands as issued.

Bruce Schulte seconds the motion

**Loren Jones and Christopher Jaime vote no, Bruce Schulte, Nick Miller and Mark Springer vote yes.
Motion carries 3-2.**

*Break is called at 3:00
Meeting Resumes 3:13 pm*

E. Handler Permit Revocation

1. Quincy James Iyatunguk

TAB 13

Erika McConnell summarizes Tab 13.

**Christopher Jaime moves to remove handler permit 17827.
Bruce Schulte seconds the motion.**

Mark Springer states that there are cautionary tales here for licensees, know your employees and your transporters. He says they should thank enforcement for getting back product to the licensee so quickly after the incident.

None opposed, motion carries.

F. Investigator Harry Lee Conway - Grant Peace Officer powers under AS 17.38.131

TAB 14

Erika McConnell summarizes Tab 14.

**Loren Jones so moves to grant Harry Lee Conway Peace Officer Powers.
Nick Miller seconds the motion.
None opposed, motion carries.**

● LICENSING BRIEFING

3:18 pm

A. Licensing Report

TAB 15

Mikal Martin summarizes her report as written in Tab 15 with the clarification that the number of transfers listed in the statistical summary is not correct.

● CONSIDERATION OF AN ACTION PREVIOUSLY TAKEN BY THE ABC BOARD

3:19 pm

Mark Springer asks Joan Wilson to discuss what occurred at the ABC Board meeting. After she discusses, he asks Kevin Higgins, the stand in AAG to come up and counsel the board during this portion.

Joan Wilson states that the ABC board voted to remove the director, and although kind words were said a lack of confidence was cited. Joan states that she wants the board to have someone they can speak to candidly as counsel and she will be moving to outside the building.

Joan Wilson leaves the meeting at 3:21 pm.

Kevin Higgins, AAG is now present to represent the board.

Mark Springer asks if there is any consideration of this action.

Bruce Schulte asks if the preference is to hear this matter in executive session or have this discussion on the record.

Mark Springer asks Kevin Higgins to review with them the sections 17.38.140 & 17.38.150. Appointment and removal of director.

Kevin Higgins reads those sections into the record.

Mark Springer states that he asked for that so that the board can understand what may be brought forward for consideration. He listened to the alcohol meetings relevant to this and he has feelings about the results. He asks if anyone wishes to bring forward a motion regarding this matter.

Bruce Schulte moves to concur with the ABC boards removal of director.

Nick Miller seconds the motion.

Nick Miller asks for discussion

Bruce Schulte states that based on the last two meetings a change of leadership is appropriate.

Kevin Higgins states that the board should make it clear on the record that the notice was provided and the director was allowed to have the discussion in executive session but chose to have the discussion held in public.

Erika McConnell confirms that notice of the agenda item was given, and she was told that should the board make a motion to go into executive session she would be given the opportunity to request that the matter be discussed on the record. She states she wishes to have the discussion on the record.

Loren Jones states that he did not listen to the ABC meetings. He disagrees with Bruce Schulte. He does not think there is a reason to remove the director at this time. He has a long history on the board and having been a director, he has never seen a director always have the confidence of the industry. The board struggles with that, but it is not a reason to remove the director. She has done a terrific job and led the board through a substantial amount. The board is not an executive board that does the day to day and they shouldn't be. If they believe in their own expertise, they have an inflated view of themselves. He sees no rationale from the rest of the board to have the director removed.

Christopher Jaime states that this is a difficult decision with personal feelings involved and he must do what's best for AMCO. The director must be objective and have support from both boards. He will concur with the alcohol board's decision.

Nick Miller agrees this is a difficult decision, but anyone who has participated in the last two meetings have heard about the timeframes for responses and discussions with AMCO and he believes it will cost the industry money. He feels it is time for change.

Mark Springer states that for the record he has not received any communication from the ABC regarding their action. He has been on the board since July 2015 and he believes Erika grasped the program quickly, while people say she is all "this and that" she comes from planning and zoning. To the director's credit, the director sticks to her belief that laws are to be enforced in a proper fashion. No one anywhere 100% likes their boss or their regulator. Everyone has a gripe. It is the duty of the board to the

state of Alaska to carry out what is in the statute. He has had the privilege of working with the director and she has been on top of the issues and has known what the board talks about and has done a damn good job. With 345 licensees, not everyone will be happy. Do you want to move away from the black market or towards it. She has done a good job leading the staff in licensing and review.

Mark Springer states that he has been approached by the administration regarding consideration of this matter asking how soon a meeting can be held. He finds this inappropriate. This is an independent semi-judicial board. He will vote against the motion. He is not done counting votes, but this is a railroad job based on the fact that people can't play music in distillery rooms. There are four times or more as many licensees in the alcohol industry than the marijuana industry. He has used the term that there is a war in heaven that he may not see the scope of but Director McConnell has done a good job for the industry and people of this state and for both industries.

Loren Jones and Mark Springer vote no, Nick Miller, Christopher Jaime and Bruce Schulte vote yes.

Erika McConnell reads a written statement into the record. She states that around August 26th she became aware that Assistant Commissioner Demboski was contacting the Board Chairs for the Alcohol and Marijuana Boards regarding holding an executive session to discuss "personnel issues". Since the board only has personnel authority over the Director, it was clear that the request was to remove the director from service. During her agenda review with Chair Klein on August 29th, she was asked to put an executive session for "personnel Issues" on the September 10 ABC meeting. He told her that part of the reason was to talk to the ABC board members about Bruce Schulte. After the meeting, she asked Mr. Klein if she needed to inform Mr. Schulte about the executive session to comply with the requirements of the administrative procedures act that allows an individual to request that the discussion occur on the public record. She also inquired if there were other personnel that needed to be notified. His response was "It is not my intent to discuss personnel, but I appreciate the heads up". After she expressed confusion regarding the executive session for personnel issues, he told her the board would be fine. At the September 10 meeting, after the board moved to go into executive session with the director and she requested public discussion of the matter, Mr. Klein asked why she thought it was about her. Mr. Brady (ABC Board member) confirmed that it was about the Director. Mr. Leath, public safety member for the ABC board, made accusations about AMCO's search for the ORI number. When he made these inquiries, he said that information had come to him just that day in the normal course of business. Additionally, he stated that improperly accessing criminal justice information is a criminal action which she felt was very close to a threat. The ABC Board gave her time to talk to Chief Hoelscher about the matter and took no action on that day. Directly after the board meetings, Monday September 16th, Harriet Milks was reassigned and no longer served as counsel for ABC and MCB. No reason was provided to Harriet Milks but she was told it "came from the top". Erika McConnell found this alarming and immediately wrote to Harriet Milks' supervisor, the attorney general, the deputy attorney general, the attorney generals chief of staff, and the head of the civil division of the department of law regarding why Ms. Milks was reassigned. A response was never received. Erika McConnell asks why Harriet Milks was reassigned, she was counsel to the ABC for seven years and to the MCB for the entirety of the board's existence. She believes no one in the state has more knowledge of the alcohol and marijuana laws. Ms. Milks did nothing wrong in her advisement of the ABC board on how to follow the open meetings act. No explanation for this action has been given by the administration. The allegations from Mr. Leath were shown to be baseless and the ABC board stated that they were satisfied with the director's explanation (of the search for the ORI number). However, at the October special meeting Mr. Leath was unable to remember when specifically, the information came to his attention but that he had overheard a discussion about it during hallway talk. She finds it inappropriate that a board member would use hallway gossip to make accusations against staff rather than communicating. The only thing she can think of is that the ABC board was looking for a reason to remove her. Although the accusations

came to nothing, the ABC board moved to remove her because she had lost the boards confidence, there was a disconnect between the boards desire and how she approached her position and a lack of confidence the boards will is being enacted. Additionally, Mr. Brady blamed commissioner prices refusal to communicate on Director McConnell's personality. At no time has the board suggested to her that she was acting contrary to the boards interest or was not capable of enacting the boards will. At no time in her meetings with Chair Klein has he raised these issues with her or indicated that the board had any concerns with her work or how she approached her position. In fact, Mr. Klein stated that the action was "not a denegation" of her job performance. However, the board voted unanimously to remove her although there was no discussion of what the boards will was or how they determined that she was unable to enact it. Two of the five members made no comments during the discussion of the motion. It was clear to her that the board had previously coordinated the decision to remove her outside of a public meeting or executive session of which she was notified. She finds this a violation of the open meetings act. Now 3/5 MCB members have voted to remove her. They did not inform the director of what she had done wrong, citing a desire for "change of leadership" for an unexpressed reason. Neither board has made "reasonable efforts of temporary duration for correction in inadequate performance" as set forth in the state personnel act. Neither board indicated to her that she has not followed her direction. This shows the board is not acting in good faith with her which is the basis of an employment relationship. Those who voted to remove her without finding wrongdoing on her part or providing her the opportunity to correct any issues they have with her should be ashamed of themselves. Public servants with integrity such as Harriet Milks, Director McConnell and the AMCO staff should be respected and appreciated and instead they have been treated like dirt. These facts also give additional weight to the suspicion that the drive to remove the Director initiated in the administration. Amy Demboski's calls to the chairs in August and the ABC boards setting of the executive session with trumped up false accusations against her and staff are further evidence of this. Ms. Milks was reassigned by the administration with no reason provided. Then the ABC fires the director in bad faith. The supreme court in *Saber Jet Room vs Boehl* has ruled that under the state constitution, the legislature created the ABC board and gave the board full powers and duties to regulate alcohol, the regulatory agency is not under the authority of the executive. Any interference by the administration including the governor's office, the commission of the department of public safety and her staff or the commissioner of commerce or her staff is an unconstitutional encroachment upon entities in the legislature's domain. However, the deed has bene done and she walks away with her head held high. The director position is a very challenging job, alcohol and marijuana are substances that have had profound effects on Alaskan citizens and communities. Implementation and enforcement of stats and regs should not b e assigned to a political crony of the governor. There is no such thing as a perfect AMCO director, and she doesn't claim to have been one. She's made mistakes and many have been aired at board meetings in front of the public. She has done her very best to uphold the laws of this state and if that is not the will of the boards, she questions their motives. She has worked hard, been supported by an amazing staff but without adequate resources in the face of vitriol and slander enough to distress even the most stoic person. Perhaps the boards think there is a deep pool of effective administrators to step into the position so tossing out a competent director is not a big deal. She thinks the boards are wrong in that assumption. Removing the director without real cause, and afterward the ABC Board stating that her work ethic and job performance were appreciated, is not good government for the State of Alaska. She thanks Chair Springer, Mr. Jones and the AMCO staff for their hard work and dedication. She wishes them the best for the remainder of the meeting.

Mark Springer thanks Erika McConnell and asks for a recess until 9:00am the next day.

● MEETING RECESSED

3:45 pm

Marijuana Control Board

Meeting Minutes

November 14

● ADMINISTRATION

8:59 am

A. Call to Order

B. Roll Call

Board Members Present

Mark Springer, Rural Member, Board Chair

Loren Jones, Public Health, Vice Chair

Nick Miller, Industry Member

Bruce Schulte, Public Member

Christopher Jaime, Public Safety Member

Staff Present

James Hoelscher, Acting Director

Mikal Martin, Records and Licensing Supervisor

Johnathan Church, Occupational Licensing Examiner

Counsel Present

Dan Wilkerson, Assistant Attorney General (Joan Wilson AAG is also present later in the day)

● STAFF COMMENTS

9:00 am

Mark Springer states that both board chairs notified the administration of the votes that occurred regarding the director and recommended Chief Hoelscher as acting. He is unsure how quickly a new director will be appointed. He recognizes AMCO staff and provides them an opportunity to make a statement on the record.

James Hoelscher introduces himself and reminds everyone that a reset is needed from the day before. It is important to set a different tone from yesterday and he encourages an effort to collaborate and communicate more clearly from both sides. He discusses the expectations of both staff and licensees. He states that a way forward is needed and he appreciates civility. He then provides Mikal Martin, Records and Licensing Supervisor an opportunity to speak.

Mikal Martin states that while she has her own feelings about the action the board took yesterday, she would like to address comments made by licensees and the board the day before. She references the comments made by licensees about wait times in the office. Currently wait times are 1-3 weeks, but a year to a year and a half ago the wait times were measured in months, not weeks. Staff works diligently to get wait times down and she makes it clear how hard staff has worked to reduce wait times. Approximately 30 applications or final corrections to applications came in within a week or two of the application deadline. She states that it is impossible to expect two staff members to process every application received in that time. She states that staff does a spectacular job and does the best they can with the resources they were given. She then addresses the comments made by the board regarding staff response and wait times. While staff appreciates feedback, they prefer constructive feedback; if

there are things the board wishes them to do differently, staff needs to hear what the board wants them to do rather than just what they're doing wrong.

Mark Springer notes that the wait times have been reduce dramatically and he appreciates the efforts of staff.

● **REVIEW OF 3 AAC 306, ARTICLE 6, MARIJUANA TESTING FACILITIES**

9:05 am

TAB A

Steve Crupi, DEC Quality Manager for Laboratories, is present to provide comments regarding the memorandum of understanding with the MCB to review marijuana-testing facilities and notes that they will be reviewing lab procedures as well as conduct annual on-site audits of facilities.

Nick Miller asks questions regarding the application process and when a facility will be able to operate, specifically when a lab will be able to conduct a test or inspection.

Mark Springer notes that DEC is not a licensing authority but that AMCO will be leaning on their expertise for laboratory processes

James Hoelscher states that there are methods for manufacturers to test equipment that do not require marijuana but for testing there is no direct way for them to obtain marijuana from other licensees to test equipment and procedures prior to opening.

Steve Crupi states that he has given thought to the question and that there are other plant materials that can be used in lieu of flower or trim but concentrates and edibles are an entirely different process.

Bruce Schulte states that this might be a time to “resurrect” the testing advisory committee to address some of these concerns. Asks about the number of testing facilities currently operating.

Steve Crupi states that the three labs in Alaska do not have the equipment to conduct these tests, which is why some samples must be sent outside for testing. Steve notes that pesticide testing can be a multistep process and can require expensive equipment.

Nick Miller asks about the amount needed to conduct a pesticide test. Notes that a recent test required three 1-pound samples of material.

Bruce Schulte asks if there is an approved list of pesticides for the State of Alaska marijuana industry.

James Hoelscher notes that there is a current list on DEC website regarding acceptable pesticides for consumption though there is nothing specifically approved for cannabis.

Steve Crupi states that even if pesticides are not used directly there could be pesticides still present due to starting materials.

A. Previous Board Action Taken

- | | | |
|---------------------------|---|----------------------|
| 1. License #16991: | Stoney Moose Kitchens | <u>TAB 16</u> |
| Licensee: | E & M Holdings, LLC | |
| License Type: | Marijuana Product Manufacturing Facility | |
| Premises Address: | 9737 Mud Bay Road, Suite 104 Ketchikan, AK 99901 | |
| Local Governments: | Ketchikan Gateway Borough | |
| For Consideration: | Product revisions. | |

Eric Reimer, applicant, is present via phone to speak to the revised product applications.

Loren Jones move to approve the products listed in Tab 16 with delegation.

Nick Miller seconds the motion.

None opposed, motion carries.

- | | | |
|---------------------------|--|----------------------|
| 2. License #20716: | ACP, LLC | <u>TAB 17</u> |
| Licensee: | ACP, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | Tract B Block 2 Lot 13 (Shop/Warehouse) Port Alexander, AK 99836 | |
| Local Governments: | Port Alexander | |
| For Consideration: | Timely objection received after September board meeting deadline. | |

Lance Wells and Jessica Smith, legal representatives of the applicant, are present to speak to the objections to the application. Patricia Fister, applicant and owner of ACP, LLC, is present via phone along with Debra Gifford, the Mayor of Port Alexander.

Nick Miller asks about the purchase of a “quiet run” generator by the applicants.

Bruce Schulte asks if there is a reading on the decibels that the generator will be producing, he states that that information is important.

Project manager, Marke, states that the lights facing towards the neighbors are motion sensor activated. Notes that the generator will be located on the other side of the building opposite the neighbor.

Debra Gifford, Mayor of Port Alexander, notes that the project could create economic opportunities and that she has not received any objections.

Mark Springer asks the applicant about their experience and operating plans.

James Hoelscher asks if there is any law enforcement available in Port Alexander. Follow ups with how accessible the location will be to enforcement due to there already being complaints regarding the business.

Christopher Jaime asks about the economic viability of the facility.

The board has considered the timely objection but takes no additional action.

B. Tabled

- 1. License #10577 & #10578: Alaskan Leaf, LLC** **TAB 18**
Licensee: Alaskan Leaf, LLC
License Type: Retail Marijuana Store and Standard Marijuana Cultivation Facility
Premises Address: 1211 West 36th Avenue, Suite A
Anchorage, AK 99503
Local Government: Municipality of Anchorage
For Consideration: Appeal of denial of MJ-14 regarding shared marijuana storage space between co-located cultivation facility and retail store.

Jana Weltzin, attorney for the licensee, is present in person to speak to the application.

The board and attorney for the licensee agree to hold consideration of this matter until the relevant regulation can be considered.

See additional consideration below. (Application is tabled to January).

- 2. License #20439** **Alaskan Grown Cannabis** **TAB 19**
Licensee: Alaskan Grown Products LLC
License Type: Retail Marijuana Store
Premises Address: 230 Tundra Way
Bethel, AK 99559
Local Government: City of Bethel
For Consideration: Protest from City of Bethel due to lack of conditional use permit, premises not being in compliance with zoning regulations, and additional premises safety concerns.

Jana Weltzin, attorney, and Kalla Peacock, applicant, are present in person to speak to the application.

Applicant notes that they are working with the fire marshal to address concerns regarding the 7-plex that is attached to the building.

Jana Weltzin notes that the CUP has not yet been submitted to the City of Bethel but should be soon.

Loren Jones moves to table application to the January meeting of the MCB.

Christopher Jaime seconds the motion.

None opposed, motion is carried.

- 3. License #20844:** **Tokin Up** **TAB 20**
Licensee: 907 Promos, LLC
License Type: Retail Marijuana Store
Premises Address: Mile Post 1313.8 Alaska Highway
Tok, AK 99780
Local Government: No Local Government
For Consideration: Petition; objections and comments received.

Lance Wells and Jessica Smith, legal representation for the applicant, Donald Davidson and Johnathon Guest, applicants, are present in person to speak to the application and petition.

Loren Jones asks if the applicants have any comment regarding the memo that accompanied the petition.

James Hoelscher asks if the applicants had any way to cross-reference the signatures for duplicates.

Loren Jones states that due to new Alaska laws any person that registers for a PFD will be registered to vote. Notes that the discrepancy gives him concern.

Mark Springer asks the applicants regarding the plans for ensuring that individuals do not take marijuana across the border or drive while impaired.

Licensee indicates that they spoke with Canadian border agent who stated small amounts of marijuana are allowed to be carried across the border. (See additional discussion of this matter below.)

**Bruce Schulte moves to approve the application with delegation.
Nick Miller seconds the motion.**

Christopher Jaime notes that the MCB has received strong objection to the application and there are questions regarding petition validity.

Christopher Jaime votes no, Nick Miller, Mark Springer, Loren Jones and Bruce Schulte vote yes. Motion carries 4-1.

Break is called at 10:39 am.

D. Licenses in “Pending Inspection” Status for Over Six Months 10:54 am

TAB 21

Order of consideration for items in this tab was adjusted based on the presence or absence of applicants or counsel.

| | |
|---------------------------|---|
| 1. License #10898: | AK Slow Burn Cannabis Outlet |
| Licensee: | AK Slow Burn Cannabis Outlet, LLC |
| License Type: | Standard Marijuana Cultivation Facility |
| Premises Address: | 2042 E 3 rd Avenue, Suite A Anchorage, AK 99501 |
| Approved by MCB: | July 12, 2017 |
| License issued: | January 25, 2019 |
| Before MCB: | September 11, 2019 – anticipates opening in a year; board requested report in November 2019 |

Jana Weltzin, attorney, is present to discuss the progress that the licensee is making towards opening.

- 2. License #12311: Juneau's Green Garden**
 Licensee: ISG, Inc.
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 5011 Short Street, Suite 1
 Juneau, AK 99501
 Approved by MCB: September 14, 2017
 License issued: October 4, 2017
 Before MCB: June 14, 2018 – working on transfer application
 December 20, 2018 – transfer of controlling interest approved with delegation
 March 7, 2019 – transfer effectuated and license re-issued

Jana Weltzin, attorney, is present to discuss the status of the license.

- 3. License #14956: 50 Shades of Green, LLC**
 Licensee: 50 Shades of Green, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 14481 West Marginal Access Road
 Houston, AK 99694
 Approved by MCB: October 16, 2018
 License Issued: February 27, 2019

Jana Weltzin, attorney, is present to discuss the status of the application.

- 4. License #12315: Evergreen Extracts**
 Licensee: ISG, Inc.
 License Type: Marijuana Product Manufacturing Facility
 Premises Address: 5011 Short Street, Suite 2
 Juneau, AK 99801
 Approved by MCB: September 14, 2017
 License Issued: March 7, 2019

Jana Weltzin, attorney, is present to discuss the status of the application.

- 5. License #16225: Green Ghost Farms, LLC**
 Licensee: Green Ghost Farms, LLC
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 11601 W King Arthur Drive
 Houston, AK 99694
 Approved by MCB: December 21, 2018
 License Issued: March 27, 2019

Jana Weltzin, attorney, is present to discuss the status of the application.

- 6. License #10014: The Naked Herbalist**
 Licensee: Peggy S France and Miles S France
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 47841 South Crop Circle
 Willow, AK 99688
 Approved by MCB: October 28, 2016
 License issued: January 24, 2017
 Before MCB: January 24, 2018 – applicant not present
 December 21, 2018 – anticipates inspection by August 2019; board expresses concern
 July 11, 2019 – facility is halfway completed; expect to finish before snowfall; board requested report in November 2019

Miles France, licensee, via phone is available to discuss the progress of the license. Notes that the fire this summer has damaged the property.

- 7. License #11635: Cloudberry Partners**
 Licensee: Joseph D Shimek; Lily A Shimek
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 3307 Spenard Road
 Anchorage, AK 99503
 Approved by MCB: May 15, 2017
 License issued: August 10, 2017
 Before MCB: April 4, 2018 – anticipate build-out done by “a little beyond” June 2018
 February 21, 2019 – applicant not present
 May 2, 2019 – board requires report in September 2019
 September 11, 2019 – looking for partner to provide new funding; board requested report in November 2019

Lily Shimek, applicant, and her father David Shimek the property manager, via phone give an updated on status of license. Notes that they are still seeking additional financing.

- 8. License #12125: Alaska Marijuana Gardens (AMG)**
 Licensee: Alaska Wild Coyote, Inc.
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 838 Bonanza Avenue
 Anchorage, AK 99518
 Approved by MCB: July 13, 2017
 License issued: April 23, 2018
 Before MCB: February 21, 2019 – anticipate opening in about 5 months (June 2019)
 September 13, 2019 – anticipate requesting inspection within 3 months; board requested report in November 2019

Armando Gonzalez, licensee, via phones gives an update on the status of the license.

9. License #13776: **Alaska Skunkworks**
 Licensee: Alaska Skunkworks, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 37331 S Talkeetna Spur Road
 Talkeetna, AK 99676
 Approved by MCB: April 5, 2018
 License Issued: August 9, 2018
 Before MCB: February 21, 2019 – estimate beginning operating in August 2019

Andrea Gunter, licensee, via phone speaks to the status of the license.

10. License #17873: **Freedom 49 Farms** **10th**
 Licensee: Freedom Farms 49, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 12510 West Westen Drive
 Houston, AK 99694
 Approved by MCB: December 20, 2018
 License Issued: January 25, 2019

Licensees, speak to the status of the license. Ready for inspections.

11. License #15192: **GreenSleeves Genetics, LLC** **11th**
 Licensee: GreenSleeves Genetics, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 1700 N Post Road
 Anchorage, AK 99501
 Approved by MCB: August 16, 2018
 License Issued: February 8, 2019

Licensee, via phone to speak to the status of the license.

12. License #10686: **Turnagain Herb Company** **12th**
 Licensee: AK Provisions Corporation
 License Type: Retail Marijuana Store
 Premises Address: 279 Crow Creek Road
 Girdwood, AK 99587
 Approved by MCB: October 16, 2018
 License Issued: February 20, 2019

Seth Mullen, licensee, via phone to speak to the status of the license. Notes they hope to be open spring 2020.

13. License #16579: **Grass Station 49** **13th**
 Licensee: The Grass Station, LLC
 License Type: Retail Marijuana Store
 Premises Address: 2502 Parks Highway
 Fairbanks, AK 99709
 Approved by MCB: February 22, 2019
 License Issued: February 25, 2019

Gary Evans notes that the facility has burned down. Still looking to move forward but will update the board.

| | | |
|----------------------------|---|-------------|
| 14. License #10231: | 420 Grow Tech | 14th |
| Licensee: | Gregory P Hoffman | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premises Address: | 10064 N Arnistead Circle (garage) Sutton, AK 99674 | |
| Approved by MCB: | December 21, 2018 | |
| License Issued: | March 6, 2019 | |

Greg Austin, licensee, via phone to speaks to the progress of the license. Notes they hope to open in a few months.

E. Licenses in “Delegated” Status for Approximately One Year

TAB 22

Order of Consideration is changed based on representation present.

| | |
|---------------------------|--|
| 1. License #16015: | Bluffside Gardens |
| Licensee: | Bluffside Gardens LLC |
| License Type: | Limited Marijuana Cultivation Facility |
| Premises Address: | 39700 S Parks Highway Talkeetna, AK 99676 |
| Approved by MCB: | August 16, 2018 |
| Pending: | Fire Marshal approval. |

Jana Weltzin, attorney, present to speak to the status of the license. Notes the plans have been submitted and progress is being made.

| | |
|---------------------------|--|
| 2. License #10117: | Alaska Fireweed Farm |
| Licensee: | Jason Harder |
| License Type: | Standard Marijuana Cultivation Facility |
| Premises Address: | Mile 101 Richardson Pipeline Access Road Copper Center, AK 99573 |
| Approved by MCB: | October 16, 2018 |
| Pending: | Fire Marshal approval. |

Mikal Martin states that the applicant is not planning on being present but provided staff with a written update.

- 3. License #12580: Brown Owl's Cultivation**
 Licensee: Winazar, LLC
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 320 Wright Lane
 Fairbanks, AK 99712
 Approved By MCB: September 14, 2017
Pending: Fire Marshal approval.
 Before MCB: December 20, 2018 – applicant's counsel requests to provide report at next meeting
 February 21, 2019 – financial issues; report in May requested
 May 2, 2019 – applicant not present
 July 10, 2019 – applicant not present
 September 11, 2019 – applicant not present

Applicant is not present.

Loren Jones moves to send a certified letter and email to the applicants telling them that their presence is required at the January meeting and failure to appear could result in action being taken against their license.

Christopher Jaime seconds the motion.

None opposed; motion carries.

- 4. License #12680: Glacier Bay Farms**
 Licensee: Carol J. Waldo
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 17 Helms Loop Spur
 Haines, AK 99827
 Approved By MCB: April 5, 2018
Pending: Fire Marshal approval.
 Before MCB: May 2, 2019 – applicant provided status; board requested July update
 July 10, 2019 – anticipates October opening; board requested September update
 September 11, 2019 – anticipates October opening; board requested November update

Carol Waldo, licensee, via phone is available to discuss status of the license. Notes they are looking to open in the next few months.

- 5. License #13881: AlasKind, LLC**
 Licensee: AlasKind, LLC
 Premises Address: 278 East Bias Drive
 Fairbanks, AK 99712-2501
 Approved by MCB: May 7, 2018
Pending: Fire Marshal approval.
 Before MCB: July 10, 2019 – applicant not present
 September 11, 2019 – applicant not present

Applicants are not present.

- 6. License #14477:** **Fox Creek LLC**
 Licensee: Fox Creek LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 2304 Old Elliot Highway
 Fairbanks, AK 99712
 Local Government: Fairbanks North Star Borough
 Approved By MCB: January 25, 2018
Pending: **DEC approval.**
 Before MCB: February 21, 2019 - anticipated being operational in 6 months

Jason Brandeis, attorney for licensee, via phone is available to give a status update on the license. Notes they should be ready to schedule an inspection before January MCB meeting.

- 7. License #14706:** **Denali Herb Company**
 Licensee: DHC, LLC
 Premises Address: 1328 E Fairview Loop Road, Suite A
 Wasilla, AK 99654
 Approved by MCB: May 7, 2018
Pending: **Fire Marshal approval.**
 Before MCB: 7/10/19 – building still under construction; board requested September update
 9/13/19 – hopes to be done by 1/1/20; board requested November 2019 update

Licensee, via phone is available to give an update on the status of the license. Notes they are looking to open early 2020.

- 8. License #12895:** **Bigfoot Bud Company, LLC**
 Licensee: Bigfoot Bud Company, LLC
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 46813 Pintail Avenue
 Kenai, AK 99611
 Approved by MCB: August 16, 2018
Pending: **Fire Marshal approval.**
 Before MCB: September 11, 2019 – applicant not present

Applicants are not present.

- 9. License #13827:** **Chongkee Farms, LLC**
 Licensee: Chongkee Farms, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 691 Brewster Street
 Fairbanks, AK 99712
 Approved by MCB: August 16, 2018
Pending: **Fire Marshal approval.**
 Before MCB: September 11, 2019 – making changes for Fire Marshal compliance; board requested November 2019 report

Applicants are not present.

10. License #14227: **Galactic Herb**
 Licensee: Theodore C Delaca
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 595 Henry Hahn Court
 Fairbanks, AK 99712
 Approved by MCB: August 16, 2018
Pending: Fire Marshal approval.
 Before MCB: September 11, 2019 – making changes for Fire Marshal compliance; board requested November 2019 report

Theodore Delaca, applicant, via phone is available to give an update on the license. Still waiting for fire marshal approval.

11. License #15546: **Daliwoda Investments #1**
 Licensee: Daliwoda investments, Inc.
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 807 Landing Road
 North Pole, AK 99705
 Approved by MCB: August 16, 2018
Pending: Fire Marshal approval.
 Before MCB: September 11, 2019 – applicant not present

Applicants are not present.

12. License #16181: **Potter’s Harvest, LLC**
 Licensee: Potter’s Harvest, LLC
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 4123 S Gon Fishin Drive
 Wasilla, AK 99687
 Approved by MCB: October 16, 2018
Pending: Fire Marshal approval.

Jacie Caldwell, applicant, via phone is available to give a status update on the license.

● **BOARD CONSIDERATION**

A. Licensees Delinquent for Taxes in Three of Past Six Months

TAB 23

1. License 10026: **Rainforest Farms, LLC**
 Licensee: Rainforest Farms, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 5763 Glacier Highway
 Juneau, AK 99801
 Local Governments: City and Borough of Juneau

James Barrett, licensee, via phone is present to speak to the delinquent taxes owed. Notes they had power failures that required construction. Working with DOR to clear up installment/monthly taxes owed.

- 2. License 10040:** **Alaska Precision**
 Licensee: David J. Straub
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 15520 E. Birch Circle
 Willow, AK 99688
 Local Governments: Matanuska-Susitna Borough

David Straub, licensee, via phone to speak to the issue of delinquent taxes. Notes that they have a payment plan with DOR.

Christopher Jaime asks if there is a mechanism for the board to ensure that payments are made or plans are in place.

James Hoelscher notes that DOR does not readily make that information available.

- 3. License 10073:** **Alaskan Blooms, LLC**
 Licensee: Alaskan Blooms, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 2448 Arvilla Street, Bldgs. A, B, & C
 Fairbanks, AK 99709
 Local Governments: Fairbanks North Star Borough

Lynden Ansen, licensee, is present to speak to the issue of delinquent taxes. Notes that they had all but one package from a room fail microbial testing and discusses frustrations with the process of retesting.

Bruce Schulte asks for information regarding the delays for retesting and review.

Lynden notes that it was multiple weeks before a response was received.

Mark Springer states that the board may be open to hearing issues from the industry at a special meeting in the summer.

Break at 12:15 pm

Back at 1:18 pm

- 4. License 10122:** **Stoney Creek Growers, LLC**
 Licensee: Stoney Creek Growers, LLC
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 33485 Vinewood Lane
 Seward, AK 99664
 Local Governments: Kenai Peninsula Borough
- 5. License 10142:** **Farmer Jack's LLC**
 Licensee: Farmer Jack's, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 8820 King Street, #5 and #6
 Anchorage, AK 99515
 Local Governments: Municipality of Anchorage

6. License 10147: **Permafrost Distributors** **1:48pm**
 Licensee: Chase R. Griffith
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 54200 Leonard Drive
 Nikiski, AK 99611
 Local Governments: Kenai Peninsula Borough

Chase Griffith, licensee, is present to speak about the issues of delinquent taxes owed. Notes that he intends to tax debt by end of the year.

7. License 10237: **AlaskaSense LLC**
 Licensee: AlaskaSense, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 521 W Tudor Road, Unit 202
 Anchorage, AK 99503
 Local Governments: Municipality of Anchorage

8. License 10310: **Danish Gardens, LLC**
 Licensee: Danish Gardens, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 2430 Cinnabar Loop
 Anchorage, AK 99507
 Local Governments: Municipality of Anchorage

9. License 10592: **Alaska Cannabis Cultivators**
 Licensee: Brandon M Roybal
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 3665 Worrell Avenue
 Fairbanks, AK 99701
 Local Governments: Fairbanks North Star Borough

10. License 11319: **Frontier Grow Labs, LLC**
 Licensee: Frontier Grow Labs, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 1725 Richardson Highway, Suite 108
 North Pole, AK 99705
 Local Governments: Fairbanks North Star Borough

11. License 11605: **Stoned Salmon Farms**
 Licensee: Always Redeye LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 2005 Anka Street
 Juneau, AK 99801
 Local Governments: City and Borough of Juneau

12. License 11611: **Kushtopia**
 Licensee: Prestige Worldwide Management, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 1044 S Old Glenn Highway

- Local Governments: Palmer, AK 99645
Matanuska-Susitna Borough
- 13. License 12872:** **Greenstar, Inc.**
 Licensee: Greenstar, Inc.
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 54843 Kenai Spur Highway
Nikiski, AK 99635
 Local Governments: Kenai Peninsula Borough
- 14. License 13374:** **Knik Glacier Gardens**
 Licensee: Knik Gardens, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 25930 E Knik River Road
Palmer, AK 99645
 Local Governments: Matanuska-Susitna Borough
- 15. License 13577:** **Fiberflite**
 Licensee: Darren H Phillips
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 120 Jarvis Street, Unit C
Sitka, AK 99835
 Local Governments: City and Borough of Sitka
- 16. License 14581:** **AK Best Buds LLC**
 Licensee: AK Best Buds LLC
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 9551 S Starlight Lane
Wasilla, AK 99623
 Local Governments: Matanuska-Susitna Borough
- B. License 12833:** **Alaska Loven It, LLC** **TAB 24**
 Licensee: Alaska Loven It, LLC
 License Type: Standard Marijuana Cultivation Facility
 Premises Address: 2908 Kachemak Drive
Homer, AK 99603
 Local Government: City of Homer
For Consideration: Growing plants in Pending Inspection status.

James Hoelscher gives an overview of the license and the issue of the applicant growing plants before being licensed. James notes that an inspection was scheduled at the time of the memo. Also states that camera coverage is inadequate in the facility and that the practice of cutting the plants back to maintain "clone" status is frowned upon.

Jana Weltzin, attorney, is present in person to discuss the issue of growing plants before licensing. States that the plants in March were put into Metric and then marked as destroyed following setbacks.

Janiese Stevens, licensee, via phone offers additional details regarding the camera coverage and the plants that were grown before being licensed.

Dan Coglianesi, speaks regarding how the plants were started (seed) and many were males that needed to be destroyed.

Bruce Schulte has questions regarding the timeline and what is on the property today.

Dan states that he does not know exactly but everything that was growing during inspection and that is in METRC is in the system.

The board takes no action regarding this matter.

Assistant to the Commissioner Amy Demboski and Glen Klinkhart are invited to speak.

Amy Demboski notes that the enforcement supervisor, James Hoelscher was named as interim Director. Glen Klinkhart has now been named as the new interim Director for AMCO.

Glen Klinkhart, interim Director speaks to his desire to work with the staff, licensees and the administration to find a way forward that is in the interest of the law, and public safety while providing ample opportunity for growth of the industry.

| | | | |
|---------------------------|--|----------------|----------------------|
| C. License 16965: | 4th Ave Cannabis Company | 1:50 pm | <u>TAB 25</u> |
| Licensee: | Barely Legal, Inc. | | |
| License Type: | Standard Marijuana Cultivation Facility | | |
| Premises Address: | 1036 E 4 th Avenue | | |
| | Anchorage, AK 99501 | | |
| Local Government: | Municipality of Anchorage | | |
| For Consideration: | Reconsideration of license denial. | | |

Jana Weltzin, attorney, is present to discuss the license and the previous denial. She summarizes the appeal in Tab 25.

Nick Miller moves to reconsider the previous denial and approve the application with delegation.

Christopher Jaime seconds the motion.

Loren Jones votes no; motion carries 4-1.

| | | | |
|---------------------------|---|--|----------------------|
| D. License 17452 | Bristol Bay Bud Company | | <u>TAB 26</u> |
| Licensee: | Bristol Bay Bud Company, LLC | | |
| License Type: | Standard Marijuana Cultivation Facility | | |
| Premises Address: | 2439 S Ridgecrest | | |
| | Wasilla, AK 99623 | | |
| Local Government: | Matanuska-Susitna Borough | | |
| For Consideration: | Reconsideration of license denial. | | |

Jason Brandeis, attorney, in person and Heather Allen, licensee, via phone are available to discuss the license. Jason indicates that two of the licensees had health issues that delayed the process.

Nick Miller moves to reconsider the previous denial and approve with delegation

Bruce Schulte seconds the motion.

Christopher Jaime votes no; motion carries 4-1.

| | | |
|---------------------------|---|----------------------|
| E. License 20865: | Uncle Herb's | <u>TAB 27</u> |
| Licensee: | Eden Management Group, LLC | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 360 Boniface Parkway, A5 Anchorage, AK 99504 | |
| Local Government: | Municipality of Anchorage | |
| For Consideration: | Reconsideration of license denial. | |

Jana Weltzin, attorney, and the licensee are present to speak to the application.

Nick Miller moves to reconsider the denial and approve with delegation.

Bruce Schulte seconds the motion.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| F. License 21552 | Enlighten Extractions, LLC | <u>TAB 28</u> |
| Licensee: | Enlighten Extractions, LLC | |
| License Type: | Marijuana Product Manufacturing Facility | |
| Premises Address: | 524 E 48th Ave, 1A Anchorage, AK 99503 | |
| Local Government: | Municipality of Anchorage | |
| For Consideration: | Appeal of product requirements. | |

Jana Weltzin, attorney, and applicants are present in person to discuss the products in questions and the processes being required by the MCB. Jana provides a summary of her appeal to the board.

Mikal Martin notes that staff does need clearer guidance from the board regarding the requirements for products.

James Hoelscher notes that while he does not have an issue with a product such as a brownie being made with multiple bases, but that there are issues with other products are a "catch-all" for other products (e.g. BHO Extracts)

Jana Weltzin clarifies that they are not asking for that type of "catch-all" product. They are only asking to be able to use different types of base marijuana ingredients.

The board discusses the different types of base marijuana ingredients that can be used with the licensee's counsel. They confirm that METRC will reflect the actual concentrate used.

Bruce Schulte notes that he understand the concerns for public safety but that he would like to see more leniency for products.

Loren Jones speaks to the requirements that were put in place and the concerns that he has regarding ingredients in products. Wants to ensure that if there are allergen in the product that they are labeled for consumers.

Bruce Schulte notes that he would like to see the process less burdensome for the industry.

The board discusses the product requirements.

Mark Springer states that as long as the actual marijuana ingredient is listed on the label and as long as the marijuana ingredient is trackable in METRC the board will not require separate products.

Mika Martin summarizes her understanding of the above discussion:

- 1) Applications are required to list the possible marijuana ingredients (concentrates) in the application**
- 2) Separate names for the products is not required (IE Brownies)**
- 3) The ingredients list on the product label will need to list the specific type of concentrate that was used for that particular batch of product.**

Mark Springer confirms her summary.

Mikal Martin and Jana Weltzin discuss the memo.

For the second portion of the appeal, Mark Springer states that **applicants are not required to specify the base marijuana ingredient.**

Jana Weltzin and Mark Springer discuss the **second question** in the memo, the board and Counsel agree that they will **distinguish between products made with different solvents both by separating the products and providing a name distinction.**

2:33 pm Christopher Jaime leaves the meeting

The third question is discussed, and **the board determines that the emulsifiers in edible products can be generically listed as “emulsifier” as long as any allergens are indicated on the final product packaging.**

The board returns to discussion on the original appeal regarding distillate cartridges and distillate darts. They state that terpenes should be clarified to be marijuana terpenes rather than other terpenes (Such as banana) and it is determined that they need to specify that the “flavoring” listed IS the terpenes rather than a separate item. Additionally, the method by which the terpenes are added and when the testing occurs must be specified per Loren Jones. The strain name will not also be required.

James Hoelscher notes that some terpenes that are being imported have been seen to contain heavy metals and since testing in Alaska does not test for heavy metals, it is a concern.

Bruce Schulte moves to interpret that adding marijuana extracted terpenes to a product does not constitute a new product.

Nick Miller seconds the motion.

None opposed, motion carries.

Mikal Martin requests clarifications regarding other marijuana products from other manufacturers. **The board confirms that adding marijuana terpenes does not make it a product instead of a concentrate.**

James Hoelscher leaves the meeting at approximately 2:45 pm.

Break at 3:16 pm

Back at 3:31 pm

Bruce Schulte moves that, when revisions to a product are requested, to not require changes to other portions of the product for compliance if the board interpretation of requirements has changed but the matter does not affect health and safety.

Nick Miller seconds the motion.

None opposed, motion carries.

● **NEW STANDARD MARIJUANA CULTIVATION FACILITY APPLICATIONS**

3:33 pm

| | | |
|---------------------------|--|----------------------|
| A. License #19279: | Arctic Hydroponics LLC | <u>TAB 29</u> |
| Licensee: | Arctic Hydroponics LLC | |
| Premises Address: | 47256 South Brookestar's Circle, Suite A Willow, AK 99688 | |
| Local Government: | Matanuska-Susitna Borough | |

Jason Brandeis, attorney, present in person and Kenneth Champ, applicant, via phone available to answer questions regarding the application and discuss operation plans.

Mark Springer asks for details about the premises.

Kenneth Champ notes that the suites are broken up because he intends to expand the facility to include a product manufacturing facility.

Loren Jones has questions about camera placement at the facility and the areas outside in the fenced area.

Jason notes that the entire facility will be restricted access and all areas will be covered by camera surveillance.

Loren Jones move to approve the license with delegation.

Bruce Schulte seconds the motion.

None opposed, motion carries

| | | |
|---------------------------|--|----------------------|
| B. License #21551: | Enlighten Alaska Greenery, LLC | <u>TAB 30</u> |
| Licensee: | Enlighten Alaska Greenery, LLC | |
| Premises Address: | 524 E 48 th Avenue, 1B Anchorage, AK 99503 | |
| Local Government: | Municipality of Anchorage | |
| For Consideration: | Objection received; Municipality of Anchorage protests pending issuance of municipal marijuana license and special land use permit. | |

Jana Weltzin, attorney, and Evan and Leah Levinton are available in person to discuss the application.

Nick Miller moves to approve with delegation.

Bruce Schulte seconds the motion.

Loren Jones states that the objection received is based on pending litigation and that there are two licenses trying to be located at this location.

Jana notes that the litigation involves the property owner and a previous tenant and does not involve any members of this application

Loren notes that when dealing with this issue previously, the MCB has waited for litigation to be concluded.

Joan Wilson, AAG, states that she agrees with Jana Weltzin that it is unlikely for the courts to put the previous tenant back into the facility, but that there are some concerns.

Joe Egemo, landlord for the property, via Jana's phone gives an update to the board regarding the litigation and the issues with the previous tenants. Notes that the litigation is regarding money, not the possession of the property.

Jana Weltzin notes the issues of pesticides that are posted by the DEC and their use by facilities.

Mark Springer moves that applicants for cultivators can use the DEC approved pesticides list as their list of pesticides to be used. Clarification indicates that the pesticides must be used in the approved manner as well.

Bruce Schulte seconds the motion.

None opposed; motion carries.

Regarding the main motion:

None opposed; motion carries

| | | |
|---------------------------|--|----------------------|
| C. License #22015: | Faded Moose Farms, LLC | <u>TAB 31</u> |
| Licensee: | Faded Moose Farms, LLC | |
| Premises Address: | 12262 W Winkler Way Wasilla, AK 99654 | |
| Local Government: | Matanuska-Susitna Borough | |

Rachel King and William King, applicants, via phone are available to speak to the application and the status of their building.

Mark Springer asks the applicants about their experience and operating plan.

Rachel King notes that they do not plan to use pesticides at this time.

Bruce Schulte moves to approve with delegation.

Nick Miller seconds the motion.

None opposed, motion carries.

● **NEW LIMITED MARIJUANA CULTIVATION FACILITY APPLICATIONS** 4:22 pm

| | | |
|---------------------------|--|----------------------|
| A. License #21967: | Northern Heights, LLC | <u>TAB 32</u> |
| Licensee: | Elizabeth Nicole Warren; William Blixt | |
| Premises Address: | 977 S RosKelley Circle Palmer, AK 99645 | |
| Local Government: | Matanuska-Susitna Borough | |

**Nick Miller moves to approve with delegation.
Bruce Schulte seconds the motion.**

William Blixt and Elizabeth Warren, applicants, via phone to speak to the application.

Mark Springer asks about the applicants experience and how the neighbors have responded to the license.

None opposed; motion carries

| | | |
|---------------------------|--|----------------------|
| B. License #22960: | J & M Investments, LLC | <u>TAB 33</u> |
| Licensee: | J & M Investments, LLC | |
| Premises Address: | 1000 E Burlwood Drive Wasilla, AK 99654 | |
| Local Government: | Matanuska-Susitna Borough | |

Lance Wells and Jessica Smith, legal representation, and Justin Anderson, applicant are present in person and Mark Sikes, applicant, is present via phone to speak to the application.

Lance states that the applicants had previously applied and been approved and operating under a different license but they failed to renew and had to reapply for a new license.

**Nick Miller moves to approve with delegation.
Bruce Schulte seconds the motion.
None opposed; motion carries.**

● **NEW RETAIL MARIJUANA STORE APPLICATIONS** **4:33 pm**

| | | |
|---------------------------|---|----------------------|
| A. License #19834: | Coldsmoke Farmacy | <u>TAB 34</u> |
| Licensee: | Michael J Welch | |
| Premises Address: | 840 Kalifornsky Beach Road, Suite B Soldotna, AK 99669 | |
| Local Government: | City of Soldotna; Kenai Peninsula Borough | |

**Nick Miller moves to approve with delegation (change name, check IDs at door, make restricted access areas match on diagrams, and to include KPB conditions if requested)
Bruce Schulte seconds the motion.**

Loren notes that the name (Farmacy) is of some concern.

Michael Welch, applicant, via phone to speak to the application and concerns. Notes that he would be fine with changing DBA to "Coldsmoke".

Loren has questions regarding the other suites within the building. Asks for clarification from the applicant regarding egress and fire marshal approval.

Mikal Martin asks that the delegation also include making the diagrams that label Restricted Access Areas match.

None opposed; motion carries.

B. License #21619: Laughing Salmon TAB 35
Licensee: Laughing Salmon, LLC
Premises Address: 173 North Rosie Circle #1
Wasilla, AK 99654
Local Government: Matanuska Susitna Borough

Considered on 11/15.

C. License #22150: Top Shelf Herbs Of Alaska LLC TAB 36
Licensee: Top Shelf Herbs Of Alaska LLC
Premises Address: 901 Photo Avenue, Suite A
Anchorage, AK 99503
Local Government: Municipality of Anchorage
For Consideration: Municipality of Anchorage protests pending issuance of municipal marijuana license and special land use permit.

***Bruce Schulte moves to approve with delegation.
Nick Miller seconds the motion.***

Jason Brandeis, attorney, Mark Fazio and Chism Leimbach applicants, are present in person to discuss the application.

Loren Jones has questions regarding the premises that is labeled "customer area" and the after-hours customer area.

Mark explains their operating plans and how they intend to ensure compliance with regulations.

None opposed; motion carries

● MEETING RECESSED

5:03 pm

**Marijuana Control Board
Meeting Minutes
November 15**

● **ADMINISTRATION**

9:03 am

A. Call to Order

B. Roll Call

Board Members Present

Mark Springer, Rural Member, Board Chair

Loren Jones, Public Health, Vice Chair

Nick Miller, Industry Member

Bruce Schulte, Public Member

Christopher Jaime, Public Safety Member

Staff Present

James Hoelscher, Acting Director

Mikal Martin, Records and Licensing Supervisor

Johnathan Church, Occupational Licensing Examiner

Counsel Present

Joan Wilson, Assistant Attorney General

Nick Miller moves to return to discussion of Tab 20

Christopher Jaime seconds the motion.

None opposed; motion carries.

License #20844:

Licensee:

License Type:

Premises Address:

Local Government:

For Consideration:

Token Up

907 Promos, LLC

Retail Marijuana Store

Mile Post 1313.8 Alaska Highway

Tok, AK 99780

No Local Government

Petition; objections and comments received.

TAB 20

Mark Springer discusses the issue of the licensee saying that they had spoken with a Canadian enforcement officer that indicated they could bring marijuana in small amount across the border. Wants licensee to confirm with Canadian government that this is the case or that the record needs to be corrected.

Jessica Smith, legal representative, in person indicates that they are willing to work with the licensees to confirm the information.

Board will look for an update at the next meeting.

Joan Wilson, AAG, states that AMCO staff has received information regarding the status of the litigation involving Tab 30. The board agrees to address this matter after lunch.

● **NEW RETAIL MARIJUANA STORE APPLICATIONS CONTINUED**

| | | |
|---------------------------|--|----------------------|
| B. License #21619: | Laughing Salmon | <u>TAB 35</u> |
| Licensee: | Laughing Salmon, LLC | |
| Premises Address: | 173 North Rosie Circle #1 Wasilla, AK 99654 | |
| Local Government: | Matanuska-Susitna Borough | |

Nick Miller moves to approve with delegation.

Bruce Schulte seconds the motion.

Kyle Lutz, applicant, via phone is available to speak to the application. Updates the MCB on the status of the retail store. Looking to finish construction in Jan. 2020.

None opposed; motion carries.

| | | |
|---------------------------|--|----------------------|
| D. License #22713: | Mile High Alaska | <u>TAB 37</u> |
| Licensee: | T&D Resources LLC | |
| Premises Address: | 910 W International Airport Road, Suite B Anchorage, AK 99518 | |
| Local Government: | Municipality of Anchorage | |
| For Consideration: | Municipality of Anchorage protests pending receipt of an municipal marijuana license and special land use permit. | |

Nick Miller moves to approve with delegation.

Bruce Schulte seconds the motion.

Travis Owens, owner Mile High Alaska, Jessica Smith, legal representative, and Stephanie Underwood, general manager are present in person to speak to the application

Loren Jones asks the applicants if they have read the memo and what their relation is to the previous application that were for this location.

Travis Owens gives an overview of the license and the details of the property. Notes that he is subleasing from Brandt.

Jessica Smith notes that the memo mentions a premise diagram for Custer Creation, LLC and Mile High Alaska are the same but that is not correct. States that there is a new dividing wall included in the new diagrams.

Travis Owens states the security steps he has taken to ensure that there is no access to the area by non-licensees.

Bruce Schulte asks for details regarding the diagram and the layout of the building.

Travis notes that the bathroom would be shared with ReLeaf but the garage is split.

Loren Jones asks how the area that is currently labeled “future extraction” will be used prior to licensing. States that there may be additional camera coverage for the door in the garage.

Jessica Smith gives an overview of delivery protocol.

Travis indicates that he will be changing the cameras to implement his own system.

Mark Springer asks about licensee experience with the industry.

Travis states he previously worked with diplomatic protections overseas (DSS) but notes his limited knowledge in the industry will be supplemented by managers/staff.

Steven Presenc, arbitration officer for property owner, states that Mr. Clark was recently made aware of the sublease but that he has issue with the current leasee and the master lease will not be renewed. Notes that the parking at the facility is limited and that the other occupant (Batteries Plus) has stated they have concerns about overflow. Also states that Mr. Clark has served an eviction notice to Mr. Owen’s.

Mark Springer asks if there is a clause in the master lease that would allow the sublease to remain in effect.

Steven indicates there are ways to extend to the lease but that the property owners do not intend to extend the master lease that this sublease is under.

Loren Jones states that he appreciates the information but that the litigation regarding the lease/sublease is outside of board purview and that if the business owner, who has legal right to the property, has to move in one year that is their decision. Notes that the Municipality will likely have comments regarding the parking at the facility.

None opposed; motion carries.

| | | |
|---------------------------|---|------------------------|
| E. License #22091: | Green Raven | <u>TAB 37.5</u> |
| Licensee: | Green Raven LLC | |
| Premises Address: | 5320 W Parks Highway Wasilla, AK 99623 | |
| Local Government: | Matanuska-Susitna Borough | |

Bruce Schulte moves to approve with delegation.

Nick Miller seconds the motion.

Charles Pascoe, applicant, via phone is available to speak to the application and the proposed premises.

Mark Springer asks about the involvement of the licensee in another license.

*Loren Jones asks for detail regarding the apartment that is located on the second floor. Notes that there does not appear to be a stair case inside or outside to access the apartment. **Would like to see stairs added to diagram.***

Charles notes he owns the property and that there are stairs on the outside but that the apartment upstairs will only be used as office.

None opposed; motion carries.

● **OWNERSHIP TRANSFER APPLICATIONS**

| | | |
|---------------------------|---|----------------------|
| A. License #11411: | Denali Dispensaries, LLC | <u>TAB 38</u> |
| Licensee: | Denali Dispensaries, LLC – Bradley Bartlett 50%, Branden Bartlett 25%, and Andrew Campbell 25% | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 225 E 5 th Avenue Anchorage, AK 99501 | |
| Local Government: | Municipality of Anchorage | |
| Transferor: | Denali Dispensaries, LLC – John Emmi Jr. 50%, Bradley Bartlett 50% | |

Jana Weltzin, attorney, is present in person and Andrew Campbell and Bradley Bartlett, applicants, via phone are available to speak to the transfer.

Loren asks if this is related to Tab 39.

Jana notes that the operating plan has also been changed so it is not the same as this tab.

Loren Jones moves to approve the transfer with delegation.

Bruce Schulte seconds the motion.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| B. License #11413: | Denali Dispensaries, LLC | <u>TAB 39</u> |
| Licensee: | Denali Dispensaries, LLC – Bradley Bartlett 50%, Branden Bartlett 25%, and Andrew Campbell 25% | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 4603 Pittman Road Wasilla, AK 99623 | |
| Local Government: | Matanuska-Susitna Borough | |
| Transferor: | Denali Dispensaries, LLC – John Emmi Jr. 50%, Bradley Bartlett 50% | |

Bruce Schulte moves to approve the ownership change with delegation.

Nick Miller seconds the motion.

Jana Weltzin, attorney for the licensees, is present to speak to the transfer and the operating plan. Notes that regulations for cultivation have changed which is why the operating plan was changed.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| C. License #14073: | Denali Fire | <u>TAB 40</u> |
| Licensee: | Denali Fire Black, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 6209 Mike Street, Suite 2C Anchorage, AK 99518 | |
| Local Government: | Municipality of Anchorage | |
| Transferor: | Black Bear Enterprises, LLC, DBA Black Bear Nursery | |

Eli Lehrmann, licensee, is present to speak to the application.

***Bruce Schulte moves to approve the ownership transfer with delegation.
Nick Miller seconds the motion.***

Loren asks for details regarding the ownership of the entities involved in the transfer.

Mark Springer asks why licenses that are owned by one of the new members have not been listed.

Eli notes that they can add the additional licenses to the application as part of delegation.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| D. License #14083: | Alaska Weeds | <u>TAB 41</u> |
| Licensee: | Denali Fire Green, LLC | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 6209 Mike Street, Suite 2A Anchorage, AK 99518 | |
| Local Government: | Municipality of Anchorage | |
| Transferor: | Green Bear Enterprises, LLC | |

Eli Lehrmann, applicant, is still present to speak to the application.

***Loren Jones moves to approve the ownership transfer with delegation.
Nick Miller seconds the motion.
None opposed; motion carries.***

| | | |
|---------------------------|--|----------------------|
| E. License #14178: | Bodhi Tree Wellness | <u>TAB 42</u> |
| Licensee: | Bodhi's Homestead, LLC – Robert B. Webb 100% | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premises Address: | 6514 N. Farm Loop Road Palmer, AK 99645 | |
| Local Government: | Matanuska-Susitna Borough | |
| Transferor: | Bodhi's Homestead, LLC – Travis Webb 100% | |

Jana Weltzin, attorney, is present and Robert Webb and Travis Webb, applicants, via phone are available to speak to the application

***Bruce Schulte moves to approve with delegation.
Nick Miller seconds the motion.***

Loren notes that Travis moved out of state May 1st but the transfer was not heard until November.

Travis states that he has been back and forth in the state and that he had previously hired an independent contractor to cultivate.

Robert Webb states that he has a handlers card.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| F. License #14199: | Matanuska Cannabis Company | <u>TAB 43</u> |
| Licensee: | MCC Ventures, LLC – Chad Ragsdale 25%, Dara Ragsdale 20%, Patrick McKay 22.5%, Ryan McKay 22.5%, Kyler Dias 5%, and James Hole 5% | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premises Address: | 3550 South Old Glenn Highway Palmer, AK 99645 | |
| Local Government: | Matanuska-Susitna Borough | |
| Transferor: | MCC Ventures, LLC – Patrick McKay 50%, Chad Ragsdale 25%, and Dara Ragsdale 25% | |

Jana Weltzin, preparer of transfer but not attorney, is present to speak to the transfer application. Notes that Jason Brandeis is the group's lawyer and is present if there are any questions. Operating plan has been updated with the transfer.

***Loren Jones moves to approve ownership transfer with delegation.
Bruce Schulte seconds the motion.
None opposed; motion carries***

| | | |
|---------------------------|---|----------------------|
| G. License #14200: | Matanuska Cannabis Company | <u>TAB 44</u> |
| Licensee: | MCC Ventures, LLC – Chad Ragsdale 25%, Dara Ragsdale 20%, Patrick McKay 22.5%, Ryan McKay 22.5%, Kyler Dias 5%, and James Hole 5% | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 3550 South Old Glenn Highway Palmer, AK 99645 | |
| Local Government: | Matanuska-Susitna Borough | |
| Transferor: | MCC Ventures, LLC – Patrick McKay 50%, Chad Ragsdale 25%, and Dara Ragsdale 25% | |

***Loren Jones moves to approve ownership transfer with delegation.
Bruce Schulte seconds the motion.***

Mark Springer notes that this is the same transfer as the previous application.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| H. License #14619: | Denali Fire Extracts | <u>TAB 45</u> |
| Licensee: | Denali Fire Brown, LLC | |
| License Type: | Marijuana Product Manufacturing Facility | |
| Premises Address: | 6209 Mike Street, Suite 2B Anchorage, AK 99518 | |
| Local Government: | Municipality of Anchorage | |
| Transferor: | Brown Bear Enterprises, LLC, DBA Brown Bear Labs | |

Break at 10:15 am.

Back on the record at 10:36 am.

***Bruce Schulte moves to approve transfer of ownership with delegation.
Nick Miller seconds the motion.***

Eli Lehrmann, applicant, is present to speak to the ownership transfer and the amended products. Notes that the amendment is to add “Denali Fire” to the product names.

***Bruce Schulte moves to approve products #1-23 in the amended product list.
Nick Miller seconds the motion.
None opposed; motion carries.***

Mark Springer asks about how the board has previously considered things like breath spray.

Mikal gives an overview of the type of absorption possibly changing which classification the product would be.

Loren notes that he does not consider breath spray a topical.

***Bruce Schulte moves to approve products bath bomb and bath soak with delegation
Nick Miller seconds the motion.***

Loren notes that he has not reviewed the products but would like to ensure that these products are labeled as “not for consumption” as part of delegation.

None opposed; motion carries.

Mark Springer asks for details regarding the breath spray and how it is labeled. Wants to ensure the alcohol ingredient is noted on the label.

Bruce Schulte asks about possible allergens being in the flavoring.

Eli notes that there is no concern with allergens from the flavoring.

**Bruce moves to approve Denali Fire Breath Spray with delegation.
Nick Miller seconds the motion.**

James Hoelscher notes that the flavoring give him pause due to some of the strange names and some of the flavoring possibly appealing to children.

Loren states that he is worried about the board going down a hole in regards to flavoring and that the appearance and name are more of a concern than the flavors used.

None opposed; motion carries

Mark Springer indicates that the candies need to be less bright. States that the MCB has not considered products in the past that had multiple shapes proposed. Asks about logo and labels used.

James brings up the issue of some of the names and flavors that are associated with the candies.

Mikal notes that the shapes listed in the application are not specific. She states that previously the board has required shapes to be listed.

Loren Jones states that he does not believe the shapes need to specifically note on the application but should provide photos to AMCO regarding the final shape of the products.

Christopher Jaime notes that he is uncomfortable with the product as listed in the application and would like to see it tabled.

Nick Miller notes that the MCB asks for photos of final products due to proposed products not always matching their initial descriptions.

Bruce Schulte notes that he agrees with James Hoelscher’s concern regarding packaging and labels. Would like to see those changed along with a more descriptive explanation of shapes to be used.

**Bruce Schulte moves to approve Denali Fire candies with delegation.
Nick Miller seconds the motion.**

Mark Springer notes that the application states that the candies may include different THC levels.

Eli states he can change that as part of the delegation.

None opposed; motion carries.

Regarding Canna Coffee Loren Jones notes that the application states that the coffee is infused with marijuana and whether that means it is an adulterated product.

Eli notes that they are intending to buy brewed coffee to infuse at their facility.

Mark Springer notes that the label is lacking in detail. Would like to see improvements to the label.

Christopher Jaime has issue with the flavoring list being the same for all products despite the flavorings not all being appealing for the products.

James Hoelscher states that he agrees with Christopher Jaime regarding the flavors listed. Creates more work for enforcement.

Eli states that the flavoring list was a directive by AMCO staff.

Bruce Schulte notes that the labels could be more descriptive or complete

James Hoelscher steps out at 11:25am

Bruce Schulte moves to approve Denali Fire Canna-Coffee with delegation.

Nick Miller seconds the motion.

Loren Jones votes no; remaining members vote yes, motion carries 4-1.

Christopher Jaime leaves at 11:28 am.

Bruce Schulte notes that in Nome previous applicants indicated having issues finding childproof resalable bottles for carbonated beverages.

Eli states that the manufacture they are going through indicates the caps are sufficient.

Bruce Schulte moves to approve Cannasoda with delegation.

Nick Miller seconds the motion.

None opposed; motion carries.

Mark Springer notes that he has not seen a product that had “cannabis oil in form of tincture” as an ingredient.

Eli indicates that the product description is incorrect and it is cannabis oil.

Loren Jones notes that the description provided by the applicant at the meeting (using molds) differs from the application (ropes of candy to be cut).

Mark Springer notes that the packaging provided with the application is from out of state.

Nick Miller moves to approve Denali Fire Chews with delegation.

Bruce Schulte seconds the motion.

None opposed; motion carries.

Nick Miller moves to approve Denali Fire Chocolate with delegation.
Bruce Schulte seconds the motion.
None opposed; motion carries.

Nick Miller moves to approve the remaining items except for Items #16 Jpods, #12 Gummies, and #24 Oral Strips with delegation.
Bruce Schulte seconds the motion.
None opposed; motion carries.

Nick Miller moves to approve Denali Fire Gummies with delegation.
Bruce Schulte seconds the motion.
(no vote taken on motion)

James Hoelscher returns at 11:48 am.

Bruce Schulte notes that the gummy bear shape is unacceptable because it appeals to children.

Nick Miller notes that as the industry member he cannot approve the product.

Mark Springer states that part of the issue would be

Loren Jones moves to table the application for Gummies until January
Nick Miller seconds the motion.
None opposed; motion carries.

Mark Springer has questions regarding what the "J" in J-Pod stands for

Loren Jones states it likely stands for "Juul"

Eli confirms that is the case.

Nick Miller moves to approve Denali Fire J-Pods.
Bruce Schulte seconds the motion.

Nick Miller states he does not have an issue with the product, but wanted to ensure if there were questions from the other board members that they were covered.

Mark Springer notes that he is uncomfortable since the item is discrete and looks similar to non-cannabis products.

Loren Jones states that he would like to see an identifier added to the pod so that it is clear that the item is marijuana.

Nick Miller moves to amend the motion to include delegation of adding THC identifier.
Bruce Schulte seconds the motion.

Nick and Bruce both state that they agree with Loren and Mark Springer and would like to see an identifier added.

James Hoelscher agrees with the board and believe the marijuana identifier needs to be added.

None opposed to amendment; motion carries

Regarding the Gummies; none opposed, motion carries

**Regarding the main motion:
None opposed; motion carries.**

Mikal Martin requests clarification from the Board regarding the delegations for packaging.

Mark Springer states that they are concerned about the packaging description, but that the board wishes to see the front label. They are concerned about the attractiveness to children.

Bruce Schulte states that the final check is staff review (enforcement).

Break for lunch at 12:12 pm.

**Back from lunch at 1:20 pm.
James Hoelscher has left the meeting.**

Bruce Schulte discusses the Denali Fire products and clarifies that the board wishes to clarify what needs to occur for the labeling or packaging section of his product applications.

Mikal Martin clarifies the difference is between the packaging and labeling sections of the products.

Bruce Schulte clarifies that they do want the applicant to provide mockups of the front labels for all the products before the delegation is concluded.

The board returns to consideration of Tab 30, License 21551.

| | | |
|---------------------------|--|----------------------|
| License #21551: | Enlighten Alaska Greenery, LLC | <u>TAB 30</u> |
| Licensee: | Enlighten Alaska Greenery, LLC | |
| Premises Address: | 524 E 48 th Avenue, 1B Anchorage, AK 99503 | |
| Local Government: | Municipality of Anchorage | |
| For Consideration: | Objection received; Municipality of Anchorage protests pending issuance of municipal marijuana license and special land use permit. | |

Joan Wilson, AAG, notes that the board previously approved the license with understanding that the litigation did not involve the previous tenant/license being returned to the premises. This morning, AMCO staff received notice from the previous tenant that they are attempting to regain control of the property, not just receive payment.

Jana Weltzin, attorney for Enlighten Alaska, gives an overview of the litigation but will defer questions to the legal representative of the parties involved to give more detail.

David Shoup, attorney for Egmo, Inc., states that the property owner have no intention to allow the previous applicant back into the premises. Court dates have been scheduled and moved during the course of the litigation.

John Farr, attorney for Turnagain, via phone is available to speak to the litigation. He states that Turnagain does intend to continue to seek an injunction to return to the premises and notes that the trial date is coming.

David disagrees and states that the stipulation does not include the tenants being returned.

John states that the tenant still intends to seek a permanent injunction.

Joan Wilson, AAG, states that they board could look to approve with the requirement that possession of the property is maintained following the litigation.

Loren Jones states that the Municipality requires a certificate of occupancy and if the applicants cannot meet those requirements then the license will be back in front of the board.

Nick Miller agrees with Loren that the MCB does not need to readdress the issue and it can be dealt with by the municipal licensing process.

Mark Springer agrees.

Joan Wilson states that she wanted to ensure that the board did not act on misinformation but is comfortable with the proposed resolution.

● **LICENSE RENEWAL APPLICATIONS**

A. Miscellaneous Issues

| | | |
|---------------------------|--|----------------------|
| 1. License #10004: | Talkeetna Herb Company | <u>TAB 46</u> |
| Licensee: | Krystal L Dietrich | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 32500 South Talkeetna Spur Road Talkeetna, AK 99676 | |
| Local Government: | Matanuska-Susitna Borough | |
| For Consideration: | Matanuska-Susitna Borough protests due to delinquent real property taxes; two NOVs for delinquency of marijuana excise tax liability- response received for 2019 NOV. | |

Nick Miller moves to renew license 10004 with delegation.

Bruce Schulte seconds the motion.

Krystal Dietrich, licensee, via phone is available to speak to the renewal.

None opposed; motion carries.

| | | |
|---------------------------|--|----------------------|
| 2. License #10236: | Cannabaska | <u>TAB 47</u> |
| Licensee: | AlaskaSense, LLC | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 521 W. Tudor Road, Unit 201 Anchorage, AK 99503 | |
| Local Government: | Municipality of Anchorage | |

For Consideration: Municipality of Anchorage protests regarding valid certificate of occupancy and payment of taxes.

Jana Weltzin, attorney for licensee, and Smadar Warden, licensee, are present to speak to the renewal application.

***Bruce Schulte moves to approve the renewal with delegation.
Nick Miller seconds the motion.***

Loren Jones asks about the striping of the parking lot and whether they have the proper certificate for occupancy.

Bruce Schulte notes that he is familiar with Conditional Certificates of Occupancy and wants to ensure licensees are aware of the conditions.

None opposed; motion carries

| | | |
|---------------------------|---|----------------------|
| 3. License #10237: | AlaskaSense, LLC | <u>TAB 48</u> |
| Licensee: | AlaskaSense, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 521 W Tudor Road, Unit 202 Anchorage, AK 99503 | |
| Local Governments: | Municipality of Anchorage | |
| For Consideration: | Municipality of Anchorage protests pending certificate of occupancy. | |

Jana Weltzin, attorney for licensee, and Smadar Warden, licensee, are present to speak to the renewal application.

***Bruce Schulte moves to renew with delegation.
Nick Miller seconds the motion.
None opposed; motion carries.***

| | | |
|---------------------------|--|----------------------|
| 4. License #11611: | Kushtopia | <u>TAB 49</u> |
| Licensee: | Prestige Worldwide Management, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 1044 S Old Glenn Highway Palmer, AK 99645 | |
| Local Governments: | Matanuska-Susitna Borough | |
| For Consideration: | Matanuska-Susitna Borough protests due to recorded violation of the Conditional Use Permit; four NOVs for delinquency of marijuana excise tax liability- response received for first NOV (2018), response received with renewal for other NOVs. | |

Mikal Martin notes that the protest had been lifted.

Phillip Izon, licensee, via phone is available to speak to the renewal application.

Mark Springer asks about the tax liability and whether the taxes have been paid.

Phillip states that they have done substantial upgrades to their facility but have run into delays. Also states that they have lost crops. States that there is a payment plan in place with DOR.

Nick Miller asks about the tax delinquency and whether there was evidence that there was a payment plan.

Mark Springer notes that proving there is a payment plan will be part of delegation.

Nick Miller moves to approve renewal with delegation.

Bruce Schulte seconds the motion.

None opposed; motion carries.

| | | |
|---------------------------|--|----------------------|
| 5. License #13344: | TLG Garden LLC | <u>TAB 50</u> |
| Licensee: | TLG Garden LLC | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premises Address: | 9193 W Marin Way Wasilla, AK 99623-4194 | |
| Local Government: | Matanuska-Susitna Borough | |
| For Consideration: | Matanuska-Susitna Borough protests due to delinquent real property taxes. | |

Jana Weltzin, attorney, present and Terry Goosen, licensee, via phone are available to speak to the renewal.

Nick Miller moves to approve renewal with delegation.

Bruce Schulte seconds the motion.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| 6. License #14178: | Bodhi Tree Wellness | <u>TAB 51</u> |
| Licensee: | Bodhi's Homestead, LLC | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premises Address: | 6514 N. Farm Loop Road Palmer, AK 99645 | |
| Local Government: | Matanuska-Susitna Borough | |
| For Consideration: | Licensee's Alaska residency could not be verified; MJ-20a Residency Exception Affidavit submitted for Board consideration. | |

Jana Weltzin, attorney, is present to speak to the application and the MJ-20a. Notes it is related to a transfer that was heard earlier on the agenda.

Nick Miller moves to approve the renewal with delegation.

Bruce Schulte seconds the motion.

None opposed; motion carries.

- | | | |
|---------------------------|--|----------------------|
| 7. License #11638: | Catalyst Cannabis Company | <u>TAB 52</u> |
| Licensee: | Broken Dirt LLC | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 9900 Old Seaward Highway, #4 Anchorage, AK 99515 | |
| Local Government: | Municipality of Anchorage | |
| For Consideration: | Municipality of Anchorage protests pending certification from the Planning Department regarding a revised parking plan. | |

Jason Brandeis, attorney, present and Will Schneider, licensee, via phone are available to speak to the renewal application.

Jason notes that there is additional need for parking and that they are trying to amend an existing agreement in place to alleviate the Municipalities concerns.

Loren Jones notes that per regulation the MCB cannot approve the renewal when there is a protest from the municipality.

Jason states that the protest is conditional and believes the board should be able to approve with delegation.

Joan Wilson, AAG, reads the regulations and believes the board can renew since the protest was conditional.

Nick Miller moves to approve the renewal with delegation.

Bruce Schulte seconds the motion.

Christopher Jaime opposed; motion carries 4-1.

- | | | |
|---------------------------|--|----------------------|
| 8. License #17068: | OutPost | <u>TAB 53</u> |
| Licensee: | OutPost LLC | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 1044 S. Old Glenn Highway (Cabin) | |
| Local Government: | Matanuska-Susitna Borough | |
| For Consideration: | Matanuska-Susitna Borough protests due to a recorded violation of the Conditional Use Permit. | |

Mikal Martin informs the board that the protest has been lifted and can be renewed by the office.

- | | | |
|---------------------------|---|----------------------|
| 9. License #18493: | Petrichor LLC | <u>TAB 54</u> |
| Licensee: | Petrichor LLC | |
| License Type: | Marijuana Product Manufacturing Facility | |
| Premises Address: | 3780 Leasure Street, Unit A Fairbanks, AK 99701 | |
| Local Government: | City of Fairbanks; Fairbanks North Star Borough | |
| For Consideration: | City of Fairbanks protests pending completion of work with the City's Building Department. | |

Mikal Martin informs the board that the protest has been lifted and can be renewed by the office.

B. Notices of Violation Received

Chief Hoelscher is not available to discuss the NOV's. Mark Springer notes that he would be like to move forward.

Loren Jones notes that he appreciates Chair Springer eagerness to finish the agenda but he would like to discuss the NOV's.

- | | | |
|---------------------------|--|----------------------|
| 1. License #10040: | Alaska Precision | <u>TAB 55</u> |
| Licensee: | David J. Straub | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premises Address: | 15520 E. Birch Circle Willow, AK 99688 | |
| Local Governments: | Matanuska-Susitna Borough | |
| For Consideration: | Two NOV's received for delinquency of marijuana excise tax liability; one NOV for waste disposal; one NOV for METRC and transportation; one NOV for METRC, restricted access, and video surveillance. | |

Licensee is not available

- | | | |
|---------------------------|---|----------------------|
| 2. License #10112: | Great Alaskan Bud Company | <u>TAB 56</u> |
| Licensee: | SP&C Enterprises, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 1905 Livengood Avenue Fairbanks, AK 99701 | |
| Local Governments: | City of Fairbanks; Fairbanks North Star Borough | |
| For Consideration: | NOV regarding video surveillance; NOV regarding health and safety standards; NOV regarding security alarm systems; NOV regarding delinquency of marijuana excise tax liability-responses received. | |

Shawn Coil, licensee, is present to speak to the NOV's and renewal application.

Bruce Schulte asks for details regarding the timing of the NOV's

Shawn states that during the inspection, the investigator pointed out the deficiency but the NOV's were not received until later.

Nick Miller moves to renew with delegation.

Christopher Jaime seconds the motion.

None opposed; motion carries.

- | | | |
|---------------------------|---|----------------------|
| 3. License #10113: | Great Alaskan Bud Company | <u>TAB 57</u> |
| Licensee: | SP&C Enterprises, LLC | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 1905 Livengood Avenue Fairbanks, AK 99701 | |
| Local Governments: | City of Fairbanks; Fairbanks North Star Borough | |

For Consideration: **NOV regarding video surveillance; NOV regarding advertising medical and health benefits; NOV regarding the marijuana inventory tracking system- responses received.**

***Nick Miller moves to approve the renewal with delegation.
Bruce Schulte seconds the motion.***

Shawn Coil, licensee, is present to speak to the NOVs and renewal application.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| 4. License #10142: | Farmer Jack's LLC | <u>TAB 58</u> |
| Licensee: | Farmer Jack's, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 8820 King Street, #5 and #6 Anchorage, AK 99515 | |
| Local Governments: | Municipality of Anchorage | |
| For Consideration: | Two NOVs for delinquency of marijuana excise tax liability- response received to 2019 NOV. | |

***Nick Miller moves to approve renewal with delegation.
Bruce Schulte seconds the motion.***

Josh Totem, licensee, is present to speak to the NOVs and renewal application. Notes that there is a payment plan in place.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| 5. License #10156: | Herbal Instincts | <u>TAB 59</u> |
| Licensee: | Timeless Adventures, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 405 Ream Lane Fairbanks, AK 99712 | |
| Local Government: | Fairbanks North Star Borough | |
| For Consideration: | NOV for delinquency of marijuana excise tax liability - response received. | |

***Nick Miller moves to renew with delegation.
Bruce Schulte seconds the motion.***

Christopher Knopp, licensee, via phone is available to discuss the NOV and renewal application.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| 6. License #10310: | Danish Gardens, LLC | <u>TAB 60</u> |
| Licensee: | Danish Gardens, LLC | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 2430 Cinnabar Loop Anchorage, AK 99507 | |
| Local Government: | Municipality of Anchorage | |

For Consideration: Two NOVs for delinquent taxes; two NOVs for odor complaints; one NOV for tracking in METRC- responses received with renewal.

Applicant not present.

7. License #12616: **Frisson Farms, LLC** **TAB 61**
Licensee: Frisson Farms, LLC
License Type: Standard Marijuana Cultivation Facility
Premises Address: 5060 Haystack Drive
Fairbanks, AK 99712
Local Government: Fairbanks North Star Borough
For Consideration: **NOV for delinquency of marijuana excise tax liability-response received with renewal.**

***Nick Miller moves to renew with delegation.
Bruce Schulte seconds the motion.***

Individual (Name inaudible), via phone is available to speak to the NOV and renewal application.

None opposed; motion carries.

Mark Springer states that the board wishes to consider Tabs 55 and 60 (license renewal for 10040 and 10310) at a later meeting, probably at a "special meeting".

● **OPERATING PLAN CHANGES**

2:25 pm

A. License #11138: **Fat Tops, LLC** **TAB 62**
Licensee: Fat Tops, LLC
License Type: Standard Marijuana Cultivation Facility
Premises Address: 36380 Murray Lane
Soldotna, AK 99669
Local Governments: Kenai Peninsula Borough

David Parker, licensee, via phone to speak to the operating plan changes.

***Nick Miller moves to approve operating plan changes.
Bruce Schulte seconds the motion.
None opposed; motion carries.***

B. License #11921: **Snow Capped Gardens L.L.C.** **TAB 63**
Licensee: Snow Capped Gardens L.L.C.
License Type: Limited Marijuana Cultivation Facility
Premises Address: 13150 East Soapstone Road
Palmer, AK 99645
Local Governments: Matanuska-Susitna Borough

Martin Brows, licensee, via phone is available to speak to the operating plan change.

Bruce Schulte moves to approve operating plan change.

Nick Miller seconds the motion.

Nick Miller asks if the fire marshal has approved the CO2 plans.

Martin confirms they have spoken with Fire Marshal

None opposed; motion carries.

| | | |
|---------------------------|--|----------------------|
| C. License #12104: | Coastal Grow | <u>TAB 64</u> |
| Licensee: | Charles Keim | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 38928 Old Sterling Highway Anchor Point, AK 99556 | |
| Local Government: | Kenai Peninsula Borough | |

Charles Keim, licensee, is present to speak to the operating plan changes.

Nick Miller moves to approve operating plan changes.

Bruce Schulte seconds the motion.

None opposed; motion carries.

| | | |
|---------------------------|--|----------------------|
| D. License #13382: | East Rip | <u>TAB 65</u> |
| Licensee: | Cook Inlet Cannabis Co. | |
| License Type: | Retail Marijuana Store | |
| Premises Address: | 10767 Kenai Spur Hwy, Suite D Kenai, AK 99611 | |
| Local Governments: | City of Kenai; Kenai Peninsula Borough | |

Jana Weltzin, attorney, and Ryan Tunseth, licensee, are present to speak to the operating plan changes.

Nick Miller moves to approve the operating plan change.

Bruce Schulte seconds the motion.

None opposed; motion carries.

| | | |
|---------------------------|---|----------------------|
| E. License #13864: | Simple House, LLC | <u>TAB 66</u> |
| Licensee: | Simple House, LLC | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premises Address: | 6511 Hemlock Drive Wasilla, AK 99654 | |
| Local Governments: | Matanuska-Susitna Borough | |

Jana Weltzin, attorney, is present to speak to the operating plan changes on behalf of licensees.

Nick Miller moves to approve operating plan change.

Bruce Schulte seconds the motion.

None opposed; motion carries.

F. License #17389: **Kreative Konfections, LLC** **TAB 67**
Licensee: Kreative Konfections, LLC
License Type: Marijuana Product Manufacturing Facility
Premises Address: 2301 S Knik-Goose Bay Road, #5
Wasilla, AK 99654
Local Government: Matanuska-Susitna Borough

Jenny Koenig and Matt Koenig, licensees, are present to speak to the operating plan change.

Mark Springer asks the board to consider tab 70 at this time as well.

Nick Miller moves to approve operating plan changes.

Bruce Schulte seconds the motion.

None opposed; motion carries.

License #17389: **Kreative Konfections, LLC** **TAB 70**
Licensee: Kreative Konfections, LLC
License Type: Marijuana Product Manufacturing Facility
Premises Address: 2301 S Knik-Goose Bay Road, #5
Wasilla, AK 99654
Local Government: Matanuska-Susitna Borough

Nick Miller moves to approve new products listed in (Tab 70) with delegation.

Bruce Schulte seconds the motion.

None opposed; motion carries.

G. License #17816: **Talkeetna Traditions LLC** **TAB 68**
Licensee: Talkeetna Traditions LLC
License Type: Limited Marijuana Cultivation Facility
Premises Address: 41010 S Parks Highway
Talkeetna, AK 99676
Local Government: Matanuska-Susitna Borough

Nick Miller moves to approve operating plan changes with delegation.

Bruce Schulte seconds the motion.

Licensee, via phone is available to speak to the operating plan changes.

Nick Miller has questions regarding the premises and the new grow area. Indicates an inspection would be required.

None opposed; motion carries.

● **NEW PRODUCTS**

A. License #14432: **Herban Extracts, LLC** **TAB 69**
Licensee: Herban Extracts, LLC
License Type: Marijuana Product Manufacturing Facility
Premises Address: 14927 Kenai Spur Highway
Kenai, AK 99611
Local Governments: City of Kenai; Kenai Peninsula Borough

Nick Miller moves to approve new product with delegation.

Bruce Schulte seconds the motion.

Jana Weltzin, attorney, and Lisa Coates, licensee, are present to speak to the new product

Christopher Jaime asks about the boxes and demarcation on the packages.

None opposed; motion carries.

| | | |
|---------------------------|--|-------------------|
| B. License #17389: | Kreative Konfections, LLC | TAB 70 |
| Licensee: | Kreative Konfections, LLC | |
| License Type: | Marijuana Product Manufacturing Facility | |
| Premises Address: | 2301 S Knik-Goose Bay Road, #5 | |
| | Wasilla, AK 99654 | |
| Local Government: | Matanuska-Susitna Borough | |

Considered above.

Break at 2:50 pm

Christopher Jaime leaves meeting at 2:51 pm.

Back at 3:05pm

● REGULATIONS

Loren Jones moves to table section "B" to the January meeting.

Bruce Schulte seconds the motion.

Bruce Schulte amends the motion to include C as well.

Nick Miller seconds the motion.

None opposed; motion carries.

Regarding the main motion:

None opposed; motion carries.

A. Proposed Projects

Steve Cruppie, Environmental Health Lab, to discuss testing requirements regarding e coli. There are roughly 260 e coli that can create these "Suga (spelling)" toxins. Notes that some labs in AK only test for singular strains of e coli. Should labs be required to test for more strains?

Bruce Schulte asks if regulations changes would allow for more accurate testing

Steve notes that the upfront investment for the equipment to test for all e coli strains is substantial.

Mark notes that the Testing Committee would better handle this question.

Bruce asks staff if there is space available for the group to meet at AMCO.

Mikal confirms there is space available to accommodate the meeting.

Bruce asks a question regarding the previous failed test of a licensee the board heard from on Thursday.

Mikal speaks to clarify the issue that was presented regarding transferring failed materials to concentrate manufactures

*Joan Wilson, AAG, notes that the hemp testing lead may be interested to be involved as well.
Steve asks the board how DEC should approach the issue of testing for e coli while reviewing labs.
Relates to retesting as well.*

Bruce asks if there are public safety concerns of allowing the labs to continue to test in the ways they originally applied until regulations are updated.

Steve notes that he cannot affirm that statement, as there is always a risk.

Loren asks if one lab has a fail and one passes, how the office should move forward. Has concerns allowing two different processes if it creates re-tests that conflict.

Steve notes that the same facility or one with the same processes would be best to handles re-tests.

Bruce asks for details regarding the makeup of the testing committee.

Brandon Emmett, AMIA, is present to speak to the makeup of the testing committee. Notes that there is one large outdoor grower on the committee but that it could be beneficial to have a smaller, indoor grower.

Brandon offers some additional comments regarding pesticide testing.

1. Board Requests

*Loren Jones asks Joan Wilson, AAG, about local ordinances that allow for seizure of property and sell to recoup sales tax. Would that be allowable to a city to take so long as the marijuana is not seized?
Wants to ensure that licensees are aware that cities have strong powers regarding seizure of property if taxes are not paid.*

Mark Springer asks about ANCSA being able to be licensees.

Loren notes that there could be issues with this type of request.

2. Staff Recommendation(s)

TAB 71

The board declares that the intent was to also table this section to the January meeting.

Lacy Wilcox, president AMIA, notes that they are ready and willing to participate in discussions.

B. Drafts for Board Review, Pending Public Comment Opportunity

- 1. Packaging and Labeling** **TAB 72**
 Status: Initial concepts for board consideration
 Potential Board Actions: Provide direction to staff

- 2. Onsite Consumption Clean Up** **TAB 73**
 Status: Revised draft for board consideration
 Potential Board Actions: Amend and/or put out for public comment

- 3. Retesting** **TAB 74**
 Status: Initial draft for board consideration
 Potential Board Actions: Amend and/or put out for public comment

- 4. Sales Limits** **TAB 75**
 Status: Initial draft for board consideration
 Potential Board Actions: Amend and/or put out for public comment

C. Public Comments Received

- 1. Handler Permit Revocation** **TAB 76**
 Status: Adopted on September 13, 2019
 Potential Board Actions: Reconsider; review minor amendments for consistency;
 readopt

- 2. Overlapping Premises** **TAB 77**
 Status: Public comment period closed October 30, 2019
 Potential Board Actions: Vote to adopt; OR
 Substantially amend and put out for public comment

- 3. Infants on Premises** **TAB 78**
 Status: Public comment period closed October 30, 2019
 Potential Board Actions: Vote to adopt; OR
 Substantially amend and put out for public comment

- 4. Ownership of Marijuana Testing Facilities** **TAB 79**
 Status: Public comment period closed October 30, 2019
 Potential Board Actions: Vote to adopt; OR
 Substantially amend and put out for public comment

- 5. Application and Renewal Date** **TAB 80**
 Status: Public comment period closed October 30, 2019
 Potential Board Actions: Vote to adopt; OR
 Substantially amend and put out for public comment

- 2. Marijuana Testing Oversight** **TAB 81**
 Status: Public comment period closed November 2, 2019
 Potential Board Actions: Vote to adopt; OR
 Substantially amend and put out for public comment

● **MARIJUANA MAILBOX**

All correspondence received in the marijuana@alaska.gov inbox from August 24, 2019 **TAB 82** to October 25, 2019.

● **BOARD COMMENTS**

Loren Jones offers some history of his time in Alaska and his work with the State of Alaska. Notes that change will not always be favorable but that change is constant.

Nick Miller thanks the staff for their work and efforts. Notes that they take the brunt of it from licensees and the board.

Bruce Schulte also thanks staff for their time and work. Thanks the participants in the meeting for taking the time to speak to the board.

Mark Springer offers some political wisdom he learned from a mentor. Notes that some media coverage of the meeting has been incorrect. States that he had lunch with the ABC Chair and new Director. Notes that he voted to retain Director McConnell and thought she was doing a good job.

● **NEXT MARIJUANA CONTROL BOARD MEETING**

The next meeting is January 23-24, 2020, in Juneau. All applications must be deemed complete and all other information for inclusion in the board's packets must be received by **January 3, 2020**.

● **ADJOURN**

4:19 pm