



**Marijuana Control Board
Meeting Agenda
Third Judicial District
550 W. 7th Ave, Room 102
Anchorage, Alaska**

***Note:** Due to very limited seating and social distancing requirements from the MCB board, only those participants who are on the agenda are allowed to attend in-person. All others are asked to use the online Zoom meeting and/or dial-in numbers.*

April 13, 2022 at 9:00 am

Join Zoom Meeting

<https://amco-alaska-gov.zoom.us/j/81464833440?pwd=dVFLbHd3UDVQajNaVFIVVjFTVVBtdz09>

Meeting ID: 814 6483 3440

Passcode: 934543

Dial by your location

+1 346 248 7799 US

+1 669 900 6833 US

April 14, 2022 at 9:00 am

Join Zoom Meeting

<https://amco-alaska-gov.zoom.us/j/83533497227?pwd=L3RuZWJnMkwzUTNWR3oxejV2bTRvQT09>

Meeting ID: 835 3349 7227

Passcode: 311729

Dial by your location

+1 346 248 7799 US

+1 669 900 6833 US

All times are approximate. Lunch break from 12:00 noon to 1:00 pm.

The Board may go into executive session at any time when appropriate under AS 44.62.310(b) and (c).

● ADMINISTRATION

9:00 am

A. Call to Order

9:00 am

B. Roll Call

*Nick Miller, Industry Member and Chair, in person
Bruce Schulte, Public Member and Vice Chair, in person
Christopher Jaime, Public Safety Member, will be in later
Eliza Muse, Public Health Member, in person
Ely Cyrus, Rural Public Member, present at 9:10 am on Zoom*

*Glen Klinkhart, Director, in person
Joan Wilson, Assistant Attorney General, in person
Richard Moses, Assistant Attorney General, in person
Rick Helms, Program Coordinator, in person
Carrie Craig, Records and Licensing Supervisor, in person
James Hoelscher, Enforcement Supervisor, on Zoom
Jane Sawyer, Regulation Specialist, on Zoom*

C. Approval of Agenda

Bruce S. motions to approve the agenda. Eliza M. seconds. None opposed, motion passes.

D. AMCO Meeting Code of Conduct

TAB 1

E. Top 10 Zoom FAQ

TAB 2

F. Approval of the January 19 - 21, 2022 MCB Meeting Minutes

TAB 3

Bruce S. motions to approve the January 19-21, 2022 minutes. Eliza M. seconds. None opposed, motion passes.

● BOARD GOVERNANCE

9:10 am

There is nothing to report by the board members.

Director Klinkhart announces his resignation. His last day as director of AMCO will be April 17, 2022.

● PUBLIC TESTIMONY

9:20 am

Based on current circumstances, the Board may decide to limit public testimony.

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.

9:13 am: Public Testimony is opened.

Dru Malone, limited cultivator is present in person: *In last meeting Dru was kind of cut off. He only got about a third of what he has to say and as limited cultivators in Anchorage. I think this is very important and people the AMIA and other entities in this state are talking about it, but nothing seems to be done about it, so we want to be on the record about this needs to be done, it needs to be done a couple years ago because we're losing multiple unlimited. And the state of Alaska, by my account there are over 100 independent limited cultivation licenses. By independent I mean a cultivation license that does not have any interest in another license type. It had one of the smallest license types available in the country, at first glance, it looks like a good idea. It gives individuals, the opportunity to enter the market at a relatively low cost and at the same time, draw growers out of the black market and into the legal market. But, more importantly, this license type could allow Alaska to develop the unique cannabis market wanted is supplied by many small independent growers that contribute an incredible variety of high quality products to the consumer. But the reality is it this license type is becoming a road to nowhere for many independent cultivators. This is because of the regulatory framework that was designed or more aptly described as copied from other states. Although I think there are quite a few troubling regulations, one that has been pernicious is the ability to hold three of the four license types by one person or business or commonly called vertical integration. With vertical integration was allowed by the state, and it is not allowed by all state is set the stage for what is happening today. This is a system that creates gatekeepers who can put their financial interest above others in the industry without recourse. This is pushing the consolidation of the industry into a handful of entities, in effect, green creating an oligopoly that can restrain others from accessing the market. Let me be clear, I do not fault anyone for working within the regulatory framework, these are the rules as set forth. It is most definitely the fault of the laws and regulations put in place originally and some of those adopted sense that has put independent cultivators at a disadvantage. A recent example the change in the harvest batch size protesting originally five pounds of a harvest bath needed to be tested. That was changed to 10 pounds effectively cutting testing costs in half for larger harvest, which are predominantly standard cultivators. But many limited cultivators or craft growers their harvest batches are on the smaller size more like two to six pounds, so a harvest batch of 10 pounds costs \$240 to test, but the equivalent way it can cost a craft grower 484 more. So what does this mean for someone holding or in the process of obtaining a limited cultivation license? It means literally if you cannot make a sale to a retail store or as a last result to a processor, which is a money losing proposition. You are locked out of the market price marketplace deregulation, it means that THC percentage quality or price will not necessarily garner a sale. As one buyer told me why would I buy your product if I have my own product I can't sell. With all this take into account what product, the vertically integrated empty entities are willing to purchase from independence is subject to percentage and price constraints that the gatekeepers to the retail market can impose. If they are willing to purchase it all, but let me stress again, this is not the fault of those brute vertically integrated entities they're only operating within the regulatory framework, the framework is the problem is up to regulators to resolve this out of balance issue, as stated in a recent Daily News article by a vertically integrated entity, we want to cut out all the middle persons. What this statement ignores is that between the plant and the consumer, everyone is the middle person what they are saying, if they want to be the only middle person. It seems clear the board needs to act and to act quickly to prevent a very real possibility that a sizable number of independence will fail. And they will fail, not because of poor business practices or poor quality product, but simply because they do not have a chance to access the market.*

So what could be the possible solutions? Well, I see four possible solutions, personally, and these are my own personal ideas, people may or may not support them. The best ones are, first, to give the same rights to

independent cultivators that are given to breweries under the alcohol regulations. That is the ability to sell product grown on site to the general public with a small additional fee. Not a retail store, but the ability to sell flower grown only in their independent cultivation facility. This limited access would complement sales to retail stores and give a safety valve to independence that would open an avenue for a sale of products that they reached retail stores will not purchase. I know some vertically integrated entities want to work with it limited growers because we can bring some unique products to the table enhance their product line, and I applaud them for that, but this is an opportunity that few growers will benefit from.

The second idea I think would be workable would be to allow independent cultivators to create cooperative growth, where shares of a grow can be sold to individuals. With a small additional license fee again, this would be access to a limited portion of the market, not open access this option, I feel would give I feel this would have been allowed under the rule set forth in the original initiative so would not be a stretch for the Boards that implement. But let's not forget the black market it's still alive and well, if you don't think so just go online and order, some unregulated cannabis, to be delivered to your home it's that simple. The regulated industry will never be able to stop this unless something changes and that something would be to unleash the small cultivators who could compete directly with the black market for market share and bring more tax money to the state. I'm calling on the board to acknowledge the situation and act and help create a uniquely Alaskan industry by quickly working towards a meaningful solution. Thank you.

MCB Board: *I was trying to make some notes here, I think you mentioned that there's four potential solutions. Yes, I heard you talk about sort of a brewery model we can sell on site correct?*

Dru Malone: *The other two I don't want to talk about that too, at this point they're more difficult. I'd like these two, these are the two I would prefer.*

MCB Board: *Okay, all right fair enough. So the brewery model, can you can you elaborate on that? What I heard was you're suggesting that a limited grow would have a retail component, right? So direct some sort of retail component, not a retail store component other words it'd be limited only to what you grow in your facility.*

Dru Malone: *It's not like, you know, I'd be selling cartridges and paraphernalia and just watch growing the facility that's how the alcohol system is set up, and I think that's a workable model. It's not full access to the market, I mean full access would be nice but that's not going to happen, I realized that, but we need, you know, every cultivator grows some low numbers. Mr. Miller could probably testify to that. And those little numbers are almost impossible to sell even though they're good numbers, they're impossible sell, because the retailers don't want them. And so we get stuck with those and we have to do something, we have to extremely discount them, or we have to sell them to a processor, and both those ways or economically very difficult. So, we need some sort of access to the market. That's really the crux to me, is we need some sort of limited access to the market, so he move some of this product pay our taxes and keep producing long term effects.*

So, let's talk about this co-op model. Without look like well I could see a couple of different ways that might happen, it could happen as a co-op grow where people would perhaps buy a plant and whatever that plant produces is there a set price, perhaps, or they may buy a share of a harvest, so you say you got 20 people that pay \$200 and everybody gets equal share of whatever that harvest is so you know they might be more and might be last it's not something that would be strictly defined. Those a couple ideas of where to set that up and there's probably a couple more that might work.

MCB Board: *It sounds like it would be sort of a merging of freebies in the medical marijuana right idea in Alaska that never really materialized but the affiliate for one person to grow for multiple consumer right sounds like you're talking about something similar to that, right?*

Dru Malone: *Yes, okay, you know I mean it is just a quick are pointed out, I was literally in the room is right for first development and I get that. I think here characterizations of those races on you know. The big issue was that early on everybody was terrified of the Federal Government, we can we set up this huge system that was total bullshit really. But we thought that that's going to keep them out of our business right, but you know what look around the feds are not going to go into any state. Look at Oklahoma the Wild West, there the feds haven't moved in the feds are not moving in, we need to get rid of some of these what. Why does a plant have to be tagged to eight inches you know I grow from seed, I need 18 inches to be able to sex a plant if I'm lucky. And that means I have to tag all these plants and then destroy them in the system when I am not going to need them and I'm sure I'm not the only one there's just rules that just are me on this, I mean how does that help enforcement?*

MCB Board: *Okay, well thanks for the question and I don't disagree with anything what you said and personally I would welcome. I think I know the Board has limited abilities here. It's only do so much right I think there's some minute legislative cures and I'm hoping the Board has a liaison to the somebody in government that transmits some of these ideas or needs or questions, I suspect, half the people in this room know legislators and I do. But thanks for the question and thanks for your input on this issue. The board would like to see a written comment.*

Michael "Old School" Morgan: *I own an unlimited grow in Anchorage. There's four limited grows in Anchorage I'm aware of. All four of us got together and all four of us have talked about different things in different states. In New Mexico just started a program with micro-grows. Under 200 plants, which is just about like our 500 square feet and what they've done is they've give incentives to the retailers to put craft products on their shelf. So I don't know exactly how it works, but the bottom line is, we have to do something to the retailer to put our product on the shelf. There's many limited grows and when we all grow good pot, we all the Alaska wanted to be crowd roars I did this is retirement there's 25 years. You have to have access to the shelf that's what Dru was talking about if all these vertical grows. Why would they put our stuff on there when they don't have to pay anything to put their stuff on there and then it's sitting on their shelf in their cultivator and they're not paying taxes on that we pay taxes. Every week I have to pay taxes to pay my rent and if you look at the four limited grows in Anchorage, none of us are delinquent taxes. Every other county we got delinquency on taxes, because all these people are trying to survive in business by not paying their taxes. We pay our taxes and we just want shelf space this co-opting I mean all in the beginning and you're one I went to all the meetings and they were talking about a middleman - some putting some place that could take all these limited grows plot and be that middleman and go out and put it in the retail stores for a broker. That's part of one of Dru's plans as a broker it and I can see, it would be very easy to do because it was talked about, and it was all written up and everything in the very beginning, and it was outmoded. It's something that was talked about in the very beginning of legislature in year one about having that broker having that place so everyone has equal shelf probability. I see if it's done there's going to be a half a dozen vertical grows and if we can't put our product on the shelf they're gonna run a small business because there's no way for us to sell Department of Commerce, thank you.*

Ryan Tunseth, Kenai retail owner in person: *I want to just start with Director Klinkhart, we're going to miss you, you know really appreciate the consistency, you brought kind of an open-door policy. You gained a lot of trust with the industry and certainly appreciate you thanking me, but as you know, so many other members of the industry that are always helping us and so just you know really did want to say thank you and hope that we can continue to have an open-door policy that we've had, at least remains open enough to get a glimpse of the whiteboard that we all always hear about. And, certainly I'm not even sure the process, I*

suppose it's the Governor, but you know some very qualified people that are that are on staff and maybe some right here at this table that would be excellent fit but moving towards that you know I hope also that the board can have a really strong relationship with that person so that when we do come to meetings that we can utilize consent agendas and things like that. So that even though maybe the wheels of AMCO may be slow that they still they still turn in the people can see how they turn and that they are moving.

I appreciate the comments from the limited grows. I haven't really given it a whole lot of thought up to this point, but you know, there are standalone retails also and so, if it is consolidation that we're in. This you know, like I said it's not something I really thought about but I'm sure that there are retailers out there, looking to find partnerships or perhaps integrate businesses. I also think that we should be asking Department of Revenue for a tax credit similar for on-time payments. And it wouldn't have to be small, maybe like a 5% or something like that. I think it would do two things. One, it would allow cultivators to be able to pay a lot easier, you know a little bit of break on the pay, but if you give them that break perhaps they can get into some of the banking options that are there that otherwise would be too expensive, which may also cut down on the need for drop boxes and that sort of thing, and maybe just become a little bit more efficient. I'm hopeful that some of the stuff that's moving in Juneau related to the task force will be able to kind of identify more things like that.

I think the other thing that could really help is addressing transportation and shipping regulations so that, you know, in my previous work experience I've moved everything from radioactive waste to heavy metals and all sorts of dangerous goods, and you know there's a way to do pretty much all of it and so as a model, maybe even start with transports to just go to testing facilities to be able to sort of test that out, but across the board, whether it's cultivations, manufacturers of product and I don't mean to cut out the industries that are there, helping us move that because I like them very much. But it's a major cost for them to be able to move products across the state, and so I think that's something that that needs to continue to be looked at.

Another thing that could be looked at, is if there is so much constraint on the limited license. To consider just not having a designation for limited or standard at all instead you just have a cultivation license and they your license fee would be paid on your square footage declaration or your production or perhaps even something consumptive. like electrical, you know, consumption that would encourage greener producing grows.

Testing I think is also another issue that you hear about quite a bit if you get a low number. It is quite difficult, I can tell you, as a standalone retailer, I know what loft and sell the products to the customer, so if I get something that's 10 or 13 or 14 it's difficult to sell so I need it low. That in turn makes a very low offer to the limited and it's difficult. So if you could establish a range where the product was you know presented, even though, if it was a low number that it was reflective of kind of what that is. Normally I think that's something to look at.

In closing, I think another thing that has kind of come up is to continue to engage with the hemp department. So that we can kind of ensure that we don't have products that are moving through the hemp side that may in fact be undercutting the regulated products and so you're hearing about those things like dummies that are being tested on the dry weight basis working progress hemp extracts all of those things that have the potential to kind of enter into what we're doing and so to keep an eye on that.

And I also serve as the Chair of the board for the Kenai Chamber of Commerce, so it wouldn't be appropriate if I didn't once again just asked you guys on your next meeting scheduled we'd love to have you down there you know it's a great place to meet. I know I've said that before but it say it again and that's all I have, so thank you for having me today and take any questions if you have.

MCB Board: *Can you just elaborate on what opportunities you think revenue as makes life easier for you guys?*

Ryan Tunseth: *They could accept different types of currency, they could certainly provide the tax credit in the form of like an on-time payment, I think that that's within their purview and I don't think that those type of things will take statutory changes for them to be able to do. I think that they could also expand their ability on how they accept payments, even if it's cash, so you know we've talked about things like having you know drop boxes in airports and things like that and it doesn't have to necessarily be a tremendous amount of money into the vault if you can handle that with other type of procedure or administrative controls.*

MCB Board: *Do we know how many drop boxes there are? (there is one, located in Anchorage) I know how many there are, but I wanted to ask a question. You live in the southeast or even Fairbanks, it's a day trip to pay your taxes. You know, maybe that's a cause of some of our delinquency is people just don't want to travel down here to pay taxes so maybe we can get with revenue and maybe come up with a plan and it's I would just if I could add on to the fact that its worrisome for them at times. You literally go in there drop off a bunch of money and walk out without even a stamp on your hand or a little yellow bracelet saying you were there, and so I think that they could also look at things that would maybe give the industry more comfort when they're making those deposits as well, I don't do it a whole lot, so I just hear from a lot of people.*

Bailey Stewart, licensee is in person: *Mr. Klinkhart, I know that we didn't spend time together or have very much conversing but you've done a wonderful job in these past years, and I really appreciate the support that the board members have had because of your position and how you handled yourself gracefully. So as an industry member, thank you for your service, I really appreciate that. I also wanted to thank the board members for hearing me out on in regards to the trade show regulations, I appreciate that. You at least made a comment at the end of the last meeting in regards to it and I felt hurt, so I just my public comment is short, but I just wanted to be concise and thank you guys, for your time, thank you.*

James Hess, former cultivator is on Zoom: *I sold my operation a couple years ago and I come up with a project that i'd like to bring before the board I discussed this a little bit with Mr. Helms, and he suggests I bring before the board and some of the issues that were just brought up by Mr. Malone and Old School. I think could maybe be rectified with this, I'll cut to the chase, it seems to me and I deal with a lot of retailers and a lot of cultivators here in my current business and there's a big disconnect. I talked to the cultivators someone will say when they have a batch they have to drive around 12 to 14 different retailers try and sell their product. If they can't sell it, they got to sell it to a concentrator and on the other hand, I talked to that's the cultivators and the retailers, they say that they run into some of the same issues too. What the disconnect when they need the product comes available when the products available they don't have it cultivators bring around samples and then they purchase but they get is not what they thought they were going to get. So my proposal is to have an auction and I've looked into the rules, I was a previous licensee a cultivator and I don't see any real issues with it, I was thinking, maybe once a month, where and i'm working with a cultivator, where other cultivators would transfer their product to that cultivator where there is no tax available I would schedule an auction and that way the buyers can come in and look and smell exactly what they're going to get. Out of town buyers would have a certain specific day they could come in do their buying go back and even, as was just mentioned, they could pay their taxes during that trip and make it a useful trip so that's kind of it in a nutshell.*

MCB Board: *A couple of thoughts here because I think I understand where you're coming from, so I get that for the limited cultivators drive around at 12 different retail stores trying to find a buyer hugely time consuming and ultimately frustrating I imagine. So you're describing sort of a gathering of sorts*

where all the limited cultivators would be present, or those that choose to participate and the retailers would go to them.

James Hess: *I would have any cultivator can transfer their product to the sponsoring cultivator and then it becomes that sponsoring cultivator's product to do with as he pleases. Okay, he can sell it, however, he wants he can sell to a retailer and I brought this up to Mr. Helms. Let's say he has this product and two buyers walk in at the same day and want the same product, you've got an option right there. So basically the cultivators would bring their product to the sponsoring cultivator transferred to him, no taxes do at a certain appointed time and date once a month two o'clock on a Thursday whatever. The only people allowed in at that time would be licensees and we're still fleshing it out, but they would be the buyers allowed and then they can the product is right there as they said they can look at it see it smell it. And after the auction, they can pick up their product, pay for it and the sponsoring cultivator someone responsible for the taxes, and they would pay the taxes on it and then at that point is still to be worked out, they can pay the cultivator that brought it to them, which I know happens all the time now, a lot of cultivators not paid at sale they're paid maybe a day or two later. So that's kind of what we're working towards, trying to you know, come up with some of the details, I will say that our family was in the auction business for 30 years. I had the contract with Alyeska pipeline for 11 years to sell all their surplus. I'm not a novice at the auction business and also, I was a one of the earlier cultivators, standard cultivator, so I am very familiar with the rules, and this is something I've been bouncing around in my head for a little bit and thought I should bring it up, I talked to Mr. Helms, and he suggested I bring it to the board so that's kind of in a nutshell.*

MCB Board: *So it sounds like what you're describing is sort of the broker license that's been talking about really from the beginning. Is that correct?*

James Hess: *Yes, it is and what we liked about the auction format, though, which we don't see any problems with current regulations, is it gives everybody a certain time and a sense of urgency. And they can come right then, right there and by rather than having to have like a brokerage when people come in, you might have to hold the property for a while. I say we have a lot of auctions I've done over 3000 auctions in the state of Alaska, and definitely you have that sense of urgency and it brings all the buyers and basically sellers together at one time, and the other thing one of the reasons. That like Alyeska pipeline and I used to watch the IRS, they auction things off because they feel that the only true value of an item is the, what a willing better at a public auctions willing to give for it. That's why Alyeska pipeline has auctions that's why the IRS has auctions, so nobody can say that it wasn't worth that door something. Now I went on a tangent a little bit, but anyway that's kind of where I feel the auction works, the out of town or somebody from Fairbanks, Nome, Skagway wherever has a retail store says hey if I come in on Thursday at two o'clock and pay my taxes, I go this auction I can pick up my stuff and I'm out of here and I'm back home.*

MCB Board: *Mr. Cyrus asks how the process currently works for a cultivator trying to sell. Mr. Miller states there are few online systems that I'm aware of and a lot of it is personal relationships. But for the smaller cultivators I feel like it's a lot of footwork, going to 15 or 20 different doors, emailing 30 or 40 businesses and hoping for response. I can I can see the value of this especially for the smaller cultivators, getting everyone in one room with the products available. So I can see the value in this, but it's difficult, I know it's difficult for the smaller cultivators, and this is something that could possibly help them. And I don't know what the fees are but for the online models that I talked about, I think that there are fees involved I don't know how expensive it is, but again in a market for a limited cultivator who's or any cultivator who's scratching to get by, any fee that's collected makes it that much more difficult for them to survive so I'm sure there'd be a few for the option as well not accept that alright so that's our current model.*

James Hess: *if I could, I would like to say any of the cultivators people on the line, if they are interested, they can email me at auction@cannatrader.net because I am gauging the interest in this. I've talked to a number of cultivators and retailers and they are interested, but there's I would be in the same boat as a cultivator driving around knocking on doors to see if people wanted to be in so if they could email me that would be great.*

Jesse Hoyt, Northern Lights Cultivation on Zoom: *When will his transfer be heard? Its Tab 51 – can't guarantee the board will get to that today. He should check in after lunch to see where we are at.*

David Straub, licensee, is on Zoom: *Glad to give a shout out to "Old School", it feels like feels like Thanksgiving. I love reminiscing about that. I'm calling in on Dru's comments. He sent an email out, I appreciate what he's trying to do for limited cultivations. It is to be a year six for me so it's there again I'm license #10040, we initiated within the first 40 minutes for all you new board members. Bruce (Schulte) was on at the beginning, he knows how the struggle goes. I haven't heard any nuclear waste or anything but I did get this I did rod trophy so I'm aware of danger. But I'm also aware that a couple retails have been robbed and maybe one had their bank machine stolen so I can see entertaining of having in there again. I don't have retail within 30 miles of my limited, so I could see entertaining the selling of product and, by the way, to give you a little couple easy avenues to it, we already use those little blue tags to Halloween various places around the state why couldn't we purchase 10 of those tags and put ounces of marijuana and then, when they're sold on camera because in our facility for security and your benefit. We merely pay that add that on to our textural for revenue even it is at the rate, it is, I imagine, there would be avenues for high quality we'd at \$50 plus whatever and we wouldn't have the risk or the transportation actually you know going down. I get the auction idea but hopefully nobody's watching this because it sounds like you know, a good opportunity for a bunch of weed to be in one spot. There again, my facility is fully videoed and we've taken risks before. I don't know if anybody remembers one of the first applications that was given out here, I will say the lady's name because probably embarrassing, but her application was put out on the Internet, for whole security plan and everything so I hope we're not doing that anymore. And granted everybody's taking risks, retailers take a risk, I think, limited wouldn't be a shame to take a little more risk so hats off to somebody trying to come up with an idea to not run limited out of business and I'm sure everybody's doing their best to pay the taxes, nobody wants state of Alaska to go broke not being 50 miles from rush. Thank you very much, you guys have a great day.*

Linda Phelps, Peace Frog Botanicals is on Zoom: *Cultivators in the cannabis industry are facing a dire situation with wholesale prices falling well below sustainable prices in our industry failing textbooks. This must be addressed as it sits at the state of Alaska or an excise tax during the years and my business profits but it gets paid. It is infuriating that the list of licenses so operating with unpaid taxes are permitted to continue operating. It's partly because of these bad actors that are wholesale prices have fallen so drastically as they can and are selling for far less necessary are going to tax obligation and I really mean this towards the consistent business people that consistently pay or don't pay, not the guys that had an issue, but the ones that too, so not pay overtime are really a big part of that problem, there must be a change to our failing tax structure and enforcement measures placed on noncompliance with the tax obligations. Another huge issue plaguing the industry is our methods of potency reporting. What's required one overall THC potency for an entire batch of flowers. The fact that we are required to tell the public that everybody and up to a 10 pound batch is 21.74% is contrary to the fact that cannabis flower is an agricultural product, not a homogenized manufactured product it isn't beer, for instance. We are lying to the consumer, each and every time and THC potency is listed on a product, this is a public safety issue as every part of the plant is not the same, and will not test the same, this is a fact. Our regulations and the interest of public safety and informing the consumer with as much actual information as possible should require a historical range of the potency results and not one single number for non-homogeneous product. It is for these reasons and so many others that House Bill*

289 creating a legislative marijuana task force should be supported from every side of the table. This task force would provide a necessary avenue for discussion regarding issues that have not or cannot be resolved by the Marijuana Control Board. I asked you to remember the Marijuana Control Board to read over HB 289 if you haven't already. I'm sure you guys have offered public comments, supporting the bill I also encourage all licensees to look into this bill. I think it's going to be a great avenue to get some discussion on the table. I've been a cultivator operating the state for six years it's clear the backbone of our industry, the cultivators are suffering. I thank you all for your time and consideration and keep up the good work, please do come to Kenai at some point, and if you guys have any questions I'm ready for them.

Tiffany Metz, Coyote and Toad's Garden #10141 is on Zoom: *I'd like to voice our support for regulations to balance the market and give limited growers a fair chance to succeed as small cultivators and as regulators, we feel like you have the potential to set the example for the rest of the country that encourages a healthy market that's not dominated by many, but enriched not dominated by a few but enriched by many, and we also want to express our gratitude for the opportunity that we've had to be limited cultivators and we want that to succeed for everyone you've chosen that so thank you.*

Lacy Wilcox, President of AMIA, is in person: *Listening to all of this, my comments are likely changing quite a bit, so I want to do the official scripted AMIA thing and then hopefully clear up some other stuff that's been discussed as best I can legislatively. Thank you for the opportunity to comment today. I would like to begin with, thanks to the board the licensing and enforcement staff and very specifically, Director Klinkhart for all the hard work and dedication to our program. He has been a welcome personality to the dynamic and often clunky relationship that the industry has had with it's regulated agency that's probably why there was a little bit trauma when you can sense coming in. In his time with AMCO, bridges have been built they've been traversed they've been reinforced and they've been reversed again. It is not always easy to be open to the criticisms that we offer, but his ear was never closed to us and his door was always open and his mind was never so made up that he could not evolve on an issue when needed. And for this we are forever grateful. We wish him the best in his next adventure and can assure him that he is leaving AMCO with the respect of this trade group. Big shoes to fill, it would be an untruth if we were to say we weren't nervous or apprehensive about the any potential successor filling his shoes. As an open communicator we therefore urged Governor Dunleavy to keep in mind the progress made in the road ahead when making a selection for placement and we've expressed that to him personally, so you're welcome. Hopefully we'll get a good one.*

The AMIA is glad to learn, have an online licensing database and hopes that this will bring long overdue efficiencies and speed up the arduous process of various operating approvals for cannabis businesses. We're also happy to see the consent agenda being used and look forward to seeing the director's delegation of authority fixed up and would like the new Director to know exactly where they stand and understand their approval authority so that we don't have a slowdown in this transition period.

We would also like to suggest better instruction, this is the hard part sorry it's criticism. But also like to suggest better instruction be given to staff on how to run working group meetings, invitations do not seem to always go where they need to attendances then subsequently poor. Agendas are vague and follow up is nearly nonexistent. The Program Coordinator's report, is where we are eager to see what comes out of certain meetings and projects. But after reading this document we are left with more questions unnecessarily reminded of current rules and can only identify the preconception of the Program Coordinator going into the meetings with no deliverables to speak up, instead just reminders of this employee's opinion. We are truly looking forward to robust and effective working groups around packaging and labeling, not drinkable limits, transportation, testing, metric, pesticide use, just to name a few.

We're also urging the creation of a transportation regulation project, I think, Ryan touched on this. That would seek to change the rules around common carriers and manifest routes, perhaps looking into allowing

transfers to leave the originating facility and arrive at the destination and as long as the product listed arrives on time and in tech the route to which it gets there should be no concern. This would allow companies to find solutions to getting products to market, this would align with the sentiments that we've been treated like alcohol or any other commodity, for that matter. This working group could also provide an outline of a proposed broker endorsement and I'm going to talk about that again later in my little follow up from all that we've talked about.

We appreciated being invited to the metric meeting and hopeful that we can attend these more frequently. We were under the impression that metric meetings happen very frequently and we are hopeful that the industry could be included in a minimum of one meeting per month, but, as we can see from board documents it looks like we are next invited in late June which we appreciate, however, we were hopeful for more involvement and follow up as we still have outstanding concerns. The meeting was cool, they told us about a training bridge and a place to access or bulletins but those features are less than functional and we are left with more questions.

We're also curious to read in the Program Coordinator's report that time and expense are being spent to teach communities, how to opt out of Canada's Program. We understand that the office should be responsive to local government questions, but we have a licensing backlog and a lengthy list of projects that have languished for years, in some cases. And this seems like an inappropriate use of resources towards something that potentially shrinks the industry, let communities figure it out it isn't that difficult.

Moving on to the section of the Program Coordinator's report on drive thrus. We would ask that specific general community concern, we would ask what the specific general community concerns are - we might be able to talk through these concerns and we knew what they were. We understand that current site requirements to be changed to allow for this, but it seems that staff stopped short of actually doing the work to explore what in fact we need to occur to allow drive through. Again, what are the actual concerns? What discussions happened? What stakeholder feedback was received? What are other States doing in this regard? Project work begins by collecting information not to back up your preconceptions, but to inform potential change. We would encourage the board to instruct staff to analyze projects with an open mind. And with us so we shouldn't focused approach. In the end we are sympathetic to the workload, we are understanding of the backlog, and we are grateful for the service, but only if good professional processes are followed and if open communication is maintained and biases about all facets of the industry are balanced with back research and a thoughtful approach.

This is where I will reiterate the value of a strong leader. The importance of unified staff and the value of stakeholder engagement, we are hopeful and then that new energy will healthily implore all the talents and resources available and bring this program into future with study putting. Again, thank you staff, apologies to those who believe the AMIA is a pain in the butt and many, many expressions of gratitude to Mr. Klinkhart for resetting the pace and tone of the conversation. We appreciate you. That's the end of that OK.

So the broker stuff. Bruce (Schulte), remember early on, this was a legislative conversation, it was going to be a fourth license type. And it got kind of peeled away, it was a little bit complex, we wanted to simplify with cultivation manufacturing. You know just those I guess we'll come the basic three that, including the limited and the standards. We would consider that one type of license cultivation and then testing separately broker would potentially, at least exploring a broker license does require statute unless it's an endorsement to an existing license type. What you guys are able to do in regulation and we would like to explore this, I know, Dan has brought it up and I've been bringing up for years. I think that there's a way to have a dynamic conversation about how to help limited grows out to maybe do cool auction things. I'm hearing all these cool ideas. And this is a dynamic conversation that needs to happen, it needs to happen with clear instruction, so that it is not a black hole of research, I think that we would be unique in Alaska if we were to do this. I don't

think it's there's an example out there for us to just follow, so we're going to have to get really creative and I think it's going to solve quite a few problems if we can get there.

The house bill that is in the House right now it's sitting in house financing waiting at second hearing, I would encourage all of you, if you haven't already to write in In support what it was would seek to do is create a legislative Lee appointed task force that would include members of industry, not as many as I would like, but we get what we get. It would include members of municipal governments members of legislature, obviously the Department of revenue tax people, because this will focus would be to analyze and make recommendations to legislature to fix the taxes or perhaps leaving as they are. We don't know, we don't know what the answer is, but we certainly don't have access to data to figure it out alone. We've been trying for years to figure it out, and we were not accountants, we don't even play one on TV so write in and support that if it doesn't pass, which is likely, because the legislative time is being sucked pretty big time, but the budget it doesn't pass and we do have the administration that has reached out to us that'd be the Governor's office.

10:18 am: Break

10:31 am: Reconvened – board members present except Christopher J.

Gary Burton, in person. *I am the co-founder and creator of American Made on the Market, we are a cannabis wholesale business. I would like to address exactly a lot of the issues you have mentioned today. And so, I want to start off commenting on a couple of items.*

First, I already have an option system in place so you don't have to build one. You don't have to put that together, I've already got it. So it is available in the Alaskan market today. It's been available actually for about nine months now. I developed this back when I was a retail manager in the marijuana industry because there was no sourcing platform here and I needed a better way to try and make the retail run efficiently. Coming from 15 years of retail management and the brick and mortar every single store every single brand that I work for has a retail machine that they utilized to make their store run so that they can focus on other things that doesn't exist in the cannabis industry and so that's why I created one.

The distribution/broker idea that you are have is great if you just want to decrease the wage that the farmers are making, because adding another person in between them in a retailer is only going to drive down the price. This is a fact, he is either going to be working on one of two ways. He's either going to buy it up front, which means he has to buy it at a lower cost than you are going to sell it to the retailer, so that he can make money. Or he has to buy it from you on the promise that he will get a commission out of the sale. Again, that is eating at the price of cannabis coming through the market. Then he's going to upsell it, because he has to make his money as well, so you're going to drive the price up for the retailer and drive the price down for the farmer. It does not work. It's already in California and Oklahoma.

I'm a national brand I work in every single cannabis state, so I see this, it does not help. It hasn't helped and it's already in place. What we are looking to do is give you a real measuring stick to tell you what cannabis is worth and that's not done in a lab - it's done by people. So, what we've done is we have put together a double-blind review team done by influencers in Alaska that have handlers cards and they are the ones that tell you, if it's good or what and the reason I say this is I've already gotten five brands and Alaska that are willing to do this and under the MJ-26 form they are. We have the employee/employer relationship, because they have a subscription with me. This gives me the ability to test their product and do a quality control for with my other employees who are also independent contractors through me they are able to also offer this. So, what we have done and, as you can see, on the form we have created a 1 to 10 scale on two different categories and then we created 10 emoji like characteristics that describe the effects of marijuana. So between this you can pre-create a combined THC score between taste, high and characteristics that will

represent exactly what you're looking for. When you get these reviews by these real people, they are subjective sure, but that's why we do a median mean average on them, so that you can understand what you're getting. This is best represented and I can't want less the strains or the growers, but I have. In the eight strains that we have reviewed in the last couple of days, I have strains that are scoring higher. At 16 and 18% in their highs than I do with stuff that is 22 and 24 even a 26% score lower, so you tell me why that would be that way what is that grow we're going to get in a 16, 18% plus he's going to get about 23 2400. pounds if he doesn't have a well-established brand. Now what does that 26% going to get? He's going to get about another \$600 a pound. Just because of that number, maybe an extra thousand dollars a pound if he's an established brand. Is that fair that his number is a crappy product is getting paid more than something that's actually helpful.

In addition to that some states have went as far as to remove THC percentages from packages. But let me ask you if there is ever anything that you have ever taken that didn't do what was prescribed. If it ever had an effect that you weren't ready for. So for me, not every high is going to do me an uplifting justice, some of them may put me in a corner over there, terrified because my nervousness, anxiousness is out of control and I've got to wait 45 minutes for it to go away, but I didn't know that, because you just said, it was this a diva. That's not helpful, so let's give this something that it actually is meaningful and measurable and makes the entire thing work, because without a measuring stick that's actually accurate, can you imagine what our would look like if three inches was not always shorter than four. Okay, any questions? By the way, I'm on Facebook and have a website.

MCB Board: I was really looking at your website, to see if there I knew what your business is.

Gary Burton: So go to the website who's canvas to my shopping for anyone who has signed up as a vendor with us - anyone, so we are, and I don't like to name drop, we are the Alaska based competitor to Leafleting. One that you probably know well. They've been up here for over a year now. Nothing against them, but they are handling less than 40% of the entire industry, why? Because they are six times more expensive than I am. Six times. And six times more expensive and the biggest name in the game, they are in less than one third of the entire US market.

Jana Weltzin, JDW Law, is in person: You know, Glen, I feel like you're the one that got away, you're the one that we actually want to keep around and hoped that you'd be able to stick around a little bit longer. You really helped this industry and then liquor industry rebuild trust with the office and I also think that you helped the office rebuild trust with each other. I had a couple leaders in the community text me frequent, like manically, yesterday when you made the report at the alcohol board meeting. And they said, "Jana, we can have another fill-in-the-blank, what are we going to do?" Any other people that are not in our industry they're helping lead our communities or politicians and directors and organizations and they were all jarred by your departure and fearful of who's next, what's next. And I said, "Hey guys, guess what? I think we're going to be just fine." And I think we're going to be just fine because the foundational work that you've done, Klink, has made it so the changes you employed here are going to be everlasting and I think the culture has changed, and I think all the culture of the office is not going to put up with the type of processing and system that was in place before and they're going to know what's right. It's almost like an abusive relationship - you didn't know you how bad you had it until you got it good, and now you know. You know, and I apologize, the last three weeks for me has been pretty difficult so, coming back to that you leaving was very, very sad. We're looking forward to continuing to contribute to our state, continuing to mentor young investigators and that's where you're going, and I think that's something that's only going to benefit our state, so I don't want to be selfish and say, you know, reverse the decision, because you don't seem like a man that goes back on what you say and a man that goes back on your words. So I'm taking it, I'm accepting it, I'm processing it, I'm not liking it, but it is what it is, until it isn't. You know, a wise man said recently, this morning, usually and I'm paraphrasing here, usually leadership - good leadership - happens when the person doesn't grapple for the

leadership position. They don't stretch, strategize for it, they don't connive their way into it. Good leaders happen when you're asked to do it and you're reluctant, we accept it because it's the right thing to do, and I feel like that's what you did. And so you're going to be missed, but I'm not worried. I'm not worried because I think it's going to be okay.

About the broker endorsement, we've had so many conversations about this and I really appreciate Dru putting so much effort and thought into kind of coming up with those ideas. You know, originally when this thing first started, I think it was either Old School or Dru mentioned this broker license and the problem that we got hung up with Department of Law on it, is that it wasn't a license type that was contemplated in clear language. I know the voter initiative well and neither was on-site endorsement and so on-site, you said you can allow for on-site, but I didn't say it's a different license type or sublicense type or whatever it is in that got through Department of Law, so I mean you know, wants to take a swing, take a swing. Maybe we need to take another swing and think about a broker endorsement, and I know there was other comments about maybe that wouldn't help situation, but I think actually would kind of you know, create less taxpayers, because the burden would be the taxpayer and stifling all these you know folks into one area, and then a lot of these smaller guys they don't want to have to deal with like going to 15 retail stores.

One other thing I want to make a comment on, you know, I guess one other comment on where stuff is the permanent revenue. I'm really, really struggling right now. Because when some of our client or some of my clients make payments, sometimes they overpay right and sometimes they get refunds and it sucks because the refund is in the form of a warranty bond check from DOR. We've talked about these before and it's made out of the cannabis company and then the cannabis company cannot deposit it and then it says it's good for only 90 days, and so, then it's like the state kind of double fill-in-the-blank these cultivators because they pay the taxes. They paid over the taxes, they got a refund and they can't cash the refund. They can't process it so it goes bad and 90 days and then what happens with that money? The state gets to keep it so it's a double whammy. So I mean there's got to be a solution and I actually went to the bank with a client with the Department of Revenue check and I said, "He wants to pay it forward to my trust account." So whatever happened there is between us, we'll figure it out, you know thinking, maybe I could get my clients and really consider going to an 8% cash checking organization and the funny thing is you can't pay those taxes forward. It's actually not possible and that's what I learned - always learning new things. So, and that was kind of based off a suggestion and informal suggestion from the folks over there at the our informal, totally informal suggestion and it doesn't work so FYI, it doesn't work, so we need a fix for that. Please support the industry, the tax force bill of marijuana tax for some priorities bill HB 289. Please, please support that. Please write your lawmakers and support that.

Also, I did want to, I think somebody should say it, the Title 4 rewrite - if the rewrite it goes through, we can't be selfish. The staff has to serve liquor and marijuana so the reality is they're going to need to spend a ton of time doing new regulations to implement the new Title 4 rewrite. So, the reality is, if we want anything done, we have to get organized, we have to articulate it and put it on paper and make it easy. Otherwise it's not gonna get done. That's just reality guys, so you like it, don't like it, whatever, you know it is what it is - they've spent 80% of their time on this industry and 20% on alcohol for the last three years, getting us off the ground and they're going to have to basically redo that again for liquor, because it's totally right. It's a good thing, but it's a totally great so just reality.

The other thing I wanted to just mention - it's gonna come up later on in the agenda - is there's some reports from Enforcement and stuff on some particular issues that were dated a long time ago, been working out long time ago, and then because there's so much going on, we only got the board tabs got up on Friday night and so some of my clients are like, "Oh wow, we have this huge issue." or this thing is up and we only have 72 hours to kind of like decipher it, come up with some kind of response. We didn't come up with the response, just like chit chat about it, what would it mean to say, well, I guess we're going to wing it. So it'd be

nice if there's an issue that has been raised or there's work that's been done or responses that if the licensee could be provided with it directly, not just the board tabs. Director Klinkhart, you're going to be missed so I hope you stay in touch. Thank you.

James Thornton, Secret Garden Cannabis, is in person: Thank you all for your service to the Alaska marijuana industry. There have been very challenging issues right now and it's just important that we all make our voices heard, on behalf of licensees and, of course, the public. I want to reiterate Lacy, Ryan, Jana, everyone else's comments, and thank you Director Klinkhart, for your service. We've had a lot of interaction both directions and I appreciate everything and you're going to be missed greatly.

I would like to make just a couple follow up comments here, I know that we will have someone filling in that position and we hope that they kind of embody some of the same things that you've done before. So thank you for your compassionate help through some unprecedented industry events that we've had and just your attack there it's been amazing to see that process go through with a lot of uncertainty and keeping our industry healthy. A lot of us have PTSD from working in the traditional market, including myself. Thank you for helping in our efforts to destigmatize cannabis and thank you for helping to change the landscape of AMCO. It's been, it's just been a pleasure, you know with a person of your status and your history in law enforcement and a lot of us have a lot of, again, a lot of paranoia about that and it's been, it was just a real pleasure. Thank you for showing compassion for our industry and consumers, especially as a non-consumer with a law enforcement background. Thanks for giving us the benefit of the doubt, even in the face of highly probable wrongdoing, and that meant a lot to me personally. Thank you for being responsive to industry needs and moving industry items forward as well, as you know, as much as some of the other items that we've seen move forward with priority when we felt like we were left behind. Let's see, thank you for asking questions to understand the plant and being fair to licensees while upholding the law and giving comfort to conservatives, which of course our state is more conservative generally. And again, you will be missed. Thanks again for everything.

I do want to just reiterate a couple points that I feel like could use a little extra just again, repeating. I want to comment on limited grows, I truly believe that the success and Secret Garden is a vertically integrated company. I believe that the success of limited grows are critical to maintain the health and success of our industry and keep standards high for Alaskans. I appreciate everyone's challenges right now, the cost of product is going down substantially and limited cultivators will be going out of business and some already have. And that is really sad to see when they've put everything in for these things. So some of the good ideas I heard today, I testing batch costs, I think that you know, we should be equitable to limited grows and not force them to potentially and I know that this, as you know, there's a lot of people out there that I'm talking about money that they're making but, you know, there should be a little bit more equity for limited grows testing batch sizes, percentage based tax structure obviously not health healthy for cannabis, education, I really appreciate the comments that the gentleman made a few comments ago about. Just everything he said, because we do want to educate consumers. That said, people are always going to want a high percentage, some people are always just going to ask for that so right now it's really challenging for limited growers to it's I mean, they're all screaming out loud right now on the behind the scenes. I like the idea of incentive incentivizing shelf space for limited grows as well.

Also, medical program limited are able to focus more on detail and quality - just a fact that patients need that quality at a higher daily and higher daily purchasing limits. I know we don't really have a lot of resources to build a medical program. You know, maybe it can be an industry and state collaborative effort to care about people that need these as we see research and development, moving forward on a federal level. We will start to be able to identify and communicate these values and attributes of cannabis and terrapins and, of course, the entourage effect, which is more important than percentages.

I wanted to thank Rick for your work in the facilitation of working groups which have been moving forward quickly and just all your help there and moving forward on future working groups. Ms. Muse, thank you for your dedication to public health and for working with the industry and caring about what we had to say. Thank you for staying on top of pesticide and heavy metal testing, as this is a critical public safety issue, overall, and thank you for doing your best and I'll pass this cost on to already heavily burdened licensees especially limited growers, because we can't afford any more anymore fees. And thank you for continuing the conversation about keeping the Alaska industry alive and well with federal legalization on the horizon. With potential out of state interest and interstate commerce threatening our livelihoods and our products we all want to see our licenses and hard work, getting here means something, also allowing Alaska growers to until they enter the legal market when they ready if that's possible I know it's asking for like both things it's like, you know, there might be tax things there but regardless, and we are our cost of goods is really high so that's going to help us, but at the same time, we want to allow people to come up and do this, you know legally. And like to see both things happen for compassion there.

That's basically all I have, thank you again for all your time, and thank you, Director Klinkhart. I know that, where you're going, they are super excited to have you and I know that's always kind of been a side thing and your passion, so we are going to miss you and we just hope that, again, I know you'll help facilitate the next person that moves in and we're excited to see the industry continue to thrive and evolve into whatever's next so thanks everyone, appreciate it.

10:56 am: Public Testimony is closed

Nick M. mentions the board would like to have DOR present at the Nome meeting to provide some training/education. He would also like to hear about the refunds warrantee checks.

● **DIRECTOR BRIEFING**

9:45 am

A. Director's Report

TAB 4

*10:58 am: Director Klinkhart summarizes his report. Nick M. mentions that the working group minutes/recordings are not posted on the website. Joan W. states working groups are not required to be recorded. Nick M. would like to have them recorded and posted on website. **Bruce S. motions to begin recording and posting the working group meetings to the website. Eliza M. seconds. She asks that additional documents be provided as well. None opposed, motion passes.***

● **PROGRAM COORDINATOR BRIEFING**

10:15 am

A. Program Coordinator's Report

TAB 5

11:06 am: Rick H. thanks Director Klinkhart for his guidance and leadership. He states that in previous meetings and in between there have been verbal attacks that were not positive. He says when someone becomes a state employee or serves on a board they don't jettison their right to be treated with respect and dignity. This behavior isn't positive and it doesn't get us (board, staff, industry members) anywhere. He doesn't believe there's anyone in AMCO that has a bias, that has an agenda, they just want to be good public servants and everyone deserves to be treated with respect.

Rick H. summarizes his report. Bruce S. asks about testing pesticides/criminal lab – Joan W. and the director answers they would have to go thru DEC to a criminal lab to out of state and it's expensive. Joan W. suggests providing a sample to the Department of Agriculture to test for pesticide but not tell

them it's THC or test the soil. Rick says they are still exploring that. There is further comment. Nick has a lot of questions regarding METRC. He would like to meet more frequently than quarterly – perhaps once a month. Nick states the priorities set by the board should be prioritized (regarding a project with a 50-slide presentation about the history of marijuana in Alaska). Director Klinkhart speaks about the educational role the Local Government Specialist holds. Nick would like to have a second random testing meeting for all licensees. What happens when a sample comes back failed? We need a process. What happens afterward? The drive through public discussion needs to occur – it was requested at the January meeting.

11:51 am: Lunch

1:00 pm: Reconvened – all board members present, including Christopher J.

● METRC Updates: Investigator Joe Bankowski

1:02 pm: Investigator Bankowski is on Zoom and provides an update. They have an additional meeting scheduled for May 3rd.

Luis Vallesteros, from METRC, is present on Zoom. He states towards the end of the year there's usually a spike in in number of tickets, so the numbers are a little bit lower compared to what they shared at the user group. But they're pretty much on par with what they expect throughout the year during normal times so there were 406 total tickets open. The response time was a minute and those only 21 of those tickets were escalated to triage, which was also then taken care of by some of the supervisor members of their team either reaching out or it being escalated to the program management team. 20 of those tickets were just questions on how to get new credentials, 14 of them were around password resets, 150 those were packaged questions terms of how do I practice just had our repackage what do I do if I accidentally repackage too far, or if I finished my package. There were 57 questions regarding the plans and harvests area, 39 for the transfers and then 47 regarding training registrations for our LM s learning tool, as well as for the live METRC trainings that they have on their web page as well now on a weekly basis. The result time is less than five minutes or four minutes and 35 seconds on average for those tickets. Those are for the level one tickets, so that the triage tickets to get escalated that data to go through a couple more support people, then those usually take about 20 minutes to get resolved off from the moment that they're open. Mr. Vallesteros provides additional information regarding enhancements to be made in the future that would address many of the industry's concerns.

● ENFORCEMENT BRIEFING

10:15 am

A. Enforcement Supervisor's Report

TAB 6

1:19 pm: Chief Hoelscher, is present on Zoom and presents his report. **Bruce S. motions to open a regulations project regarding backup power supply. Christopher J. seconds. None opposes, motion passes.**

James H. continues with his report regarding a backpack with a variety of products inside that would be purchased by a judge for a trade show/competition. Jana Weltzin, in person, shows an example of the backpack full of products for the judges. James H. brings the written advisory in person and discusses the issue with the backpacks. **Bruce S. motions to support the advisory. Christopher J. seconds. None opposed, motion passes. Bruce S. motions to open a regulations project to look at the packaging regulations, specifically for variety packs. Christopher J. seconds. None opposed, motion passes.**

2:33 pm: Break
2:48 pm: Reconvened

James H. continues with his report. **Bruce S. supports delegation to the director to delegate to enforcement something for product form. Christopher J. seconds. None opposed, motion passes.**

B. Notices of Violation Issued and Licensee Responses TAB 7

2:50 pm

C. Notices of Violation for January – March Unpaid Taxes TAB 8

2:57 pm

● **LICENSING BRIEFING**

A. Licensing Report TAB 9

3:00 pm: Carrie C., in person, presents her report. **Bruce S. motions to open a regulations project to remove the requirement of proof of premises and entity documentation from the renewal process if that information has not changed. Christopher J. seconds. None opposed, motion passes.**

1. Delegated Authority List TAB 10

3:25 pm: Joan W. reads the statute regarding delegated authority. The board would like to see the list restructured by application type, not form type. Bruce S. suggests other categories “board has final authority” and list the forms under that and remove Enforcement reviews and “signs off”. Jane S. volunteers to work on it for the next meeting.

● **DELEGATED CONSENT AGENDA – NEW & TRANSFER APPLICATIONS**

Sections A – F may be approved as a block or may pull any specific application for separate discussion/consideration at the board’s discretion.

A. NEW RELATED APPLICATIONS

- | | | |
|---------------------------|---|----------------------|
| 1. Licensee: | Alaska Garden Solutions, LLC | |
| Premises Address: | 5732 E. Gershmel Loop #1
Palmer, AK 99645 | |
| Local Governments: | Matanuska-Susitna Borough | |
| a. License #29651: | Stone Cold Cannabis | <u>TAB 11</u> |
| License Type: | Limited Marijuana Cultivation Facility | |
| b. License #29653: | Stone Cold Cannabis | <u>TAB 12</u> |
| License Type: | Marijuana Concentrates Manufacturing Facility | |
| 2. License #30153: | Uncle Herb’s | <u>TAB 13</u> |
| Licensee: | Eden Management Group, LLC | |

License Type: Retail Marijuana Store
Premises Address: 209 King Circle, Suite 1
Anchorage, AK 99515
Local Governments: Municipality of Anchorage

- 3. License #30154: Alaska Herb Garden TAB 14**
Licensee: Eden Growth Group, LLC
License Type: Limited Marijuana Cultivation Facility
Premises Address: 209 King Circle, Suite 2
Anchorage, AK 99515
Local Governments: Municipality of Anchorage

3:44 pm: Bruce S. motions to approve Tabs 11 through 14 with delegation which is highlighted in each applications' memo. Eliza M. seconds. None opposed, motion passes.

B. NEW LIMITED MARIJUANA CULTIVATION FACILITY APPLICATIONS

- 1. License #23933: Midnight Sun Cultivators TAB 15**
Licensee: Midnight Sun Cultivators, LLC
Premises Address: 28011 Old Parks Highway, Suite 2
Willow, AK 99688
Local Government: Matanuska-Susitna Borough
- 2. License #29289: Stoned Gnome Farm TAB 16**
Licensee: Chubby Girl Confections, Inc.
Premises Address: 2176 Donald Avenue
Fairbanks, AK 99701
Local Government: Fairbanks North Star Borough
- 3. License #30219: KGB Cultivation TAB 17**
Licensee: Fontaine Brooks & Brown, Inc.
Premises Address: 8933 S Polaris Lane
Wasilla, AK 99623
Local Government: Matanuska-Susitna Borough

Bruce S. motions to approve Tabs 15 through 17 with delegation which is highlighted in each applications' memo. Christopher J. seconds. None opposed, motion passes.

C. NEW STANDARD MARIJUANA CULTIVATION FACILITY APPLICATIONS

- 1. License #24115: Checkmate Harvest Company TAB 18**
Licensee: Checkmate Harvest Company, LLC
Premises Address: 1198 E. Sage Road
Wasilla, AK 99654
Local Government: Matanuska-Susitna Borough
- 2. License #28795: Cold Creek Gardens TAB 19**
Licensee: Cold Creek Gardens, LLC
Premises Address: 12642 W Westen Drive
Houston, AK 99694

Local Government: Houston; Matanuska-Susitna Borough

3. License #29604: Redoubt Reefer TAB 20

Licensee: Jason Marc Rodean
Premises Address: 27250 Vincent Street
Kasilof, AK 99610

Local Government: Kenai Peninsula Borough

For Consideration: Conditions by Local Government pursuant to 3 AAC 306.060(b)

4. License #30321: Pagan Enterprises, LLC TAB 21

Licensee: Pagan Enterprises, LLC
Premises Address: 2835 Old Fairbanks-Nenana Highway, Building 2
Fairbanks, AK 99709

Local Government: Fairbanks North Star Borough

5. License #30567: Alaska Farms TAB 22

Licensee: Greg Miller
Premises Address: 12806 S Ella Louise Circle
Wasilla, AK 99623

Local Government: Matanuska-Susitna Borough

Bruce S. motions to approve Tabs 18 through 22 with delegation which is highlighted in each applications' memo. Eliza M. seconds. None opposed, motion passes.

D. NEW RETAIL MARIJUANA STORE APPLICATIONS

1. License #29095: Scorpion Grass TAB 23

Licensee: Hack's Investments, Inc.
Premises Address: 1150 Huffman Park Drive
Anchorage, AK 99515

Local Government: Municipality of Anchorage

2. License #29422: Dimebag TAB 24

Licensee: AK Zip, LLC
Premises Address: 2343 S. Birch Lake Drive
Wasilla, AK 99654

Local Government: Matanuska-Susitna Borough

3. License #30362: The Pot Shop TAB 25

Licensee: The Pot Shop, LLC
Premises Address: 902 W. Northern Lights Blvd.
Anchorage, AK 99503

Local Government: Municipality of Anchorage

4. License #30563: Good Vibes Bethel TAB 26

Licensee: Good Vibes, LLC
Premises Address: 323 Chief Eddie Hoffman Highway
Bethel, AK 99559

Local Government: City of Bethel

Bruce S. motions to approve Tabs 23 through 26 with delegation which is highlighted in each applications' memo. Eliza M. seconds. None opposed, motion passes.

E. NEW MARIJUANA CONCENTRATE MANUFACTURING FACILITY APPLICATIONS

- 1. License #28966: Green Fire Extracts TAB 27**
Licensee: Green Corner, LLC
Premises Address: 1349 Warner Road
North Pole, AK 99705
Local Government: Fairbanks North Star Borough

Bruce S. motions to approve new license #28966 with delegation which is highlighted in the applicant's memo. Eliza M. seconds. None opposed, motion passes. Bruce S. motions to approve the entire list of products for license #28966. Eliza M. seconds. None opposed, motion passes.

F. NEW MARIJUANA PRODUCT MANUFACTURING FACILITY APPLICATIONS

- 1. License #28777: Herbal Dreams, LLC TAB 28**
Licensee: Herbal Dreams, LLC
Premises Address: 12825 W. Big Lake Road
Wasilla, AK 99654
Local Government: Matanuska-Susitna Borough

Bruce S. motions to approve new license #28777 with delegation which is highlighted in the applicant's memo. Eliza M. seconds. None opposed, motion passes. Bruce S. motions to approve the all products, except the ice cream products. Eliza M. seconds. None opposed, motion passes. Jana Weltzin, counsel for the applicant, is present in person and the applicant, Dan Rogers, is on Zoom. Bruce S. motions to approve the four ice cream products. Eliza M. seconds. There is a packaging/label discussion. None opposed, motion passes.

4:19 pm: Break
4:30 pm: Reconvened

G. LICENSE TRANSFER & RELATED APPLICATIONS

- 1. License #11649: K Beach Reef TAB 29**
Current Licensee (from): KBR, LLC – (Ryan Hall 100%)
New Licensee (to): KBR, LLC – (Marc Theiler 100%)
License Type: Standard Cultivation Facility
Premises Address: 42106 Kalifornsky Beach Road
Soldotna, AK 99669
Local Governments: Kenai Peninsula Borough
For Consideration: Conditions by Local Government pursuant to 3 AAC 306.060(b)
- 2. License #15916: K Beach Reef TAB 30**
Current Licensees (from): KBR Retail, LLC – (Ryan Hall 100%)
New Licensee (to): KBR Retail, LLC – (Marc Theiler 100%)
License Type: Retail Marijuana Store
Premises Address: 42106 Kalifornsky Beach Road

Local Governments: Soldotna, AK 99669
Kenai Peninsula Borough
For Consideration: Conditions by Local Government pursuant to 3 AAC 306.060(b)

Bruce S. motions to approve the transfers for #11649 & #15916 with delegation which is highlighted on the applications' memo. Eliza M. seconds. None opposed motion passes.

- 3. License #12536 – Transfer: Will’s World TAB 31**
Current Licensee (from): Will’s World, LLC – (Dayle Little 50% and William Little 50%)
New Licensee (to): JJH Holdings, LLC (Joshua Hunter 100%)
License Type: Marijuana Concentrate Manufacturing Facility
Premises Address: 12151 E. Palmer-Wasilla Highway, Unit 1C
Palmer, AK 99645
Local Governments: Matanuska-Susitna Borough
- a. Application Type: MJ-15 TAB 32**
- b. Application Type: MJ-16 TAB 33**

Jana Weltzin, counsel for the licensee, is present in person. Bruce S. motions to approve the license transfer with delegation which is highlighted in the memo. Eliza M. seconds. None opposed, motion passes. Bruce S. motions to approve the MJ-15 for #12536. Eliza M. seconds. None opposed, motion passes. Bruce S. motions to approve the new products listed in the MJ-16. Eliza M. seconds. None opposed, motion passes.

- 4. License #11119: Alaskan Grown Cannabis TAB 34**
Current Licensee (from): Gudlief Organization, LLC (owned by Alaskan Grown Products, LLC (Kalla Peacock), and Robin Thomas)
New Licensee (to): Rural Retail Northwest, LLC (owned by Kalla Peacock and Jason Evans)
License Type: Retail Marijuana Store
Premises Address: 303-C West E Street
Nome, AK 99762
Local Governments: City of Nome
- 5. License #18493 - Transfer: North Star Fire TAB 35**
Current Licensee (from): Petrichor, LLC – DBA: Petrichor, LLC (Grant Anderson 100%)
New Licensee (to): North Star Fire, LLC (Kirsten Hagen 100%)
License Type: Marijuana Product Manufacturing Facility
Premises Address: 3780 Leasure Street, Unit A
Fairbanks, AK 99701
Local Governments: City of Fairbanks; Fairbanks North Star Borough
- a. Application Type: MJ-15 TAB 36**

Bruce S. motions to approve the license transfers for #11119 & #18493 with delegation which is highlighted on the applicants' memo. Eliza M. seconds. None opposed, motion passes.

passes. Bruce S. motions to approve the MJ-15 for #18493. Eliza M. seconds. None opposed, motion passes.

● **OPERATING PLAN CHANGES**

Sections A – C may be approved as a block or may pull any specific application for separate discussion/consideration at the board’s discretion.

- | | | |
|--|---|----------------------|
| A. License #10098:
Licensee:
License Type:
Premises Address:

Local Government: | Raspberry Roots
Raspberry Roots, LLC
Standard Marijuana Cultivation Facility
501 Raspberry Road, Suites 101 & 102
Anchorage, AK 99518
Municipality of Anchorage | <u>TAB 37</u> |
| B. License #12488:
Licensee:
License Type:
Premises Address:

Local Government: | Thirdstate
H.E. Holdings, LLC
Standard Marijuana Cultivation Facility
200 Pheasant Farm Road
Fairbanks, AK 99712
Fairbanks North Star Borough | <u>TAB 38</u> |
| C. License #15019:
Licensee:
License Type:
Premises Address:

Local Governments: | The Tree House AK
B2H, LLC
Retail Marijuana Store
341-D Boniface Parkway
Anchorage, AK 99504
Municipality of Anchorage | <u>TAB 39</u> |

Bruce S. motions to approve Tabs 37 through 39 with delegation which is highlighted on the applications’ memo. Eliza M. seconds. None opposed, motion passes.

● **NEW PRODUCTS**

Sections A – B may be approved as a block or may pull any specific application for separate discussion/consideration at the board’s discretion.

- | | | |
|--|---|----------------------|
| A. License #10903:
Licensee:
License Type:
Premises Address:

Local Governments: | Momo’s Bakery
JMP, LLC
Marijuana Product Manufacturing Facility
2917 Spenard Road, Suite 102
Anchorage, AK 99503
Municipality of Anchorage | <u>TAB 40</u> |
| B. License #19372:
Licensee:
License Type:
Premises Address: | Red Run Cannabis Cultivators, LLC
Red Run Cannabis Cultivators, LLC
Marijuana Product Manufacturing Facility
12516 Kenai Spur Highway, Suite A
Kenai, AK 99611 | <u>TAB 41</u> |

Bruce S. motions to approve the new products with delegation. Eliza M. seconds. None opposed, motion passes.

Local Governments: City of Kenai; Kenai Peninsula Borough

Bruce S. motions to approve the new products with delegation. Eliza M. seconds. None opposed, motion passes.

● LICENSE RENEWAL APPLICATIONS

A. BOARD CONSIDERATION

1. **License #11617:** **Alaska Jane** **TAB 42**
Licensee: Hunter Greens and Purples, LLC
License Type: Standard Marijuana Cultivation Facility
Premises Address: 67927 Virginia Avenue
Homer, AK 99603
Local Government: Kenai Peninsula Borough
For Consideration: \$2,784 tax delinquency as of 2/2022; 1 of 2 MJ-20's formally rescinded

Bruce S. motions to approve the renewal of #11617 with delegation. Eliza M. seconds. The licensee is not present. Jane S. provides a background. Nathan H. includes additional information. The licensee owes \$7,100.00 which is listed on current tax delinquency list. Director Klinkhart mentions the licensee's email response in Tab 8 and would like to speak to them. The board decides consideration of this application is tabled to tomorrow at 9:00 am and asks staff to contact the licensee and instruct them to appear tomorrow.

4/14/2022 9:01 am: Reconvened, all board members and staff are present.

Licensee, Krystal Hunter, is present on Zoom and would like to discuss the application in executive session. **Bruce S. motions to go into executive session. Christopher J. seconds. None opposed, motion passes.** All board members, staff and the licensee is present for executive session.

9:19 am: Out of executive session. **Bruce S. motions to approve the renewal of #11617. Christopher J. seconds. All are opposed and the motion fails.**

2. **License #20642:** **Snow Lotus Gardens, LLC** **TAB 43**
Licensee: Snow Lotus Gardens, LLC
License Type: Limited Marijuana Cultivation Facility
Premise Address: 2301 South Knik-Goose Bay Road #4B
Wasilla, AK 99654
Local Government: Matanuska-Susitna Borough
For Consideration: Owes \$11,925 according to March 2022 tax list

4/13/2022: Holly Rudder-Larson, licensee, is present on Zoom. **Bruce S. motions to approve #20642 with delegation which is proof of paid taxes within 60 days or must be current on a payment plan and any**

taxes outside of the plan be paid in full. Eliza M. seconds. Nick M. asks if they are current on filing taxes. None opposed, motion passes.

4/13/2022 5:00 pm: Adjourned

B. ONE TO TWO NOTICES OF VIOLATIONS RECEIVED IN THE LAST 12 MONTHS

Sections 1 – 4 may be approved as a block or may pull any specific application for separate discussion/consideration at the board’s discretion.

- | | | |
|---------------------------|--|----------------------|
| 1. License #13221: | Green Valley Enterprises | <u>TAB 44</u> |
| Licensee: | ForgetMeNot Enterprises, Inc. | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premise Address: | 8505 Old Dairy Road – Ste #2
Juneau, AK 99801 | |
| Local Government: | City and Bureau of Juneau | |
| For Consideration: | Two NOV for tax delinquency | |

9:20 am: Bruce S. motions to approve the renewal of #13221 with delegation. Eliza M. seconds. Jana Weltzin, counsel for the licensee, is present in person and states they have a new approved payment plan. None opposed, motion passes.

- | | | |
|---------------------------|--|----------------------|
| 2. License #13603: | AK Green Bee, Inc. | <u>TAB 45</u> |
| Licensee: | AK Green Bee, Inc. | |
| License Type: | Standard Marijuana Cultivation Facility | |
| Premises Address: | 2364 Badger Road
North Pole, AK 99705 | |
| Local Government: | Fairbanks North Star Borough | |
| For Consideration: | One NOV for tax delinquency | |

9:24 am: The licensee is not present.

9:28 am: One of the licensees is present on Zoom. Bruce S. motions to approve the renewal of #13603. Christopher J. seconds. The licensee states they are current and they are not on April delinquency list. None opposed, motion passes.

- | | | |
|---------------------------|--|----------------------|
| 3. License #14352: | Althea’s Morning Bear Cultivation | <u>TAB 46</u> |
| Licensee: | Brennan J. Norden | |
| License Type: | Limited Marijuana Cultivation Facility | |
| Premise Address: | 21565 Evelyn May Street
Kasilof, AK 99610 | |
| Local Government: | Kenai Peninsula Borough | |
| For Consideration: | One NOV for tax delinquency | |

9:24 am: The licensee is not present.

9:30 am: They are still not present.

1:02 pm: The licensee is not present. Director Klinkhart explains there was an accusation regarding labeling in which they took responsibility and they paid a fine. The company is not on current delinquency list. Bruce S. motions to approve the renewal of #14352 with delegation. Christopher J. seconds. None opposed, motion passes.

- 4. License #16915:** **Bristol Bay Bud Company** TAB 47
 Licensee: Bristol Bay Bud Company, LLC
 License Type: Retail Marijuana Store
 Premise Address: 233 Airport Road
 Dillingham, AK 99576
 Local Government: City of Dillingham
For Consideration: **One NOV for failure to accurately track inventory**

9:30 am: Jason Brandeis, counsel for the licensee and the licensee are present on Zoom. Bruce S. motions to approve the renewal of #16915 with delegation. Christopher J. seconds. None opposed, motion passes.

C. 3 OR MORE NOTICES OF VIOLATIONS RECEIVED IN THE LAST 12 MONTHS

- 1. License #10500** **Frozen North Farms** TAB 48
 Licensee: Aaron D. Worthen
 License Type: Limited Marijuana Cultivation Facility
 Premises Address: 1213 Paige Avenue
 North Pole, AK 99705
 Local Government: Fairbanks North Star Borough
For Consideration **Three NOVs for tax delinquency**

9:31 am: Carolann McDowell, licensee, is present on Zoom. Bruce S. motions to approve the renewal of #10500. Christopher J. seconds. The transfer application was submitted on Monday and they are current on their taxes. None opposed, motion passes.

● OBJECTIONS

- A. License #29879 – New:** **High Society Laboratory** TAB 49
 Licensee: Farm Loop Labs, LLC
License Type: **Marijuana Concentrate Manufacturing Facility**
 Premises Address: 6514 N. Farm Loop Road, Bldg. #2
 Palmer, AK 99645
 Local Governments: Matanuska-Susitna Borough
For Consideration: **Related application with Tab 49, License #30395.**

9:34 am: The licensee and Jana Weltzin, counsel, are present in person. Bruce S. motions to approve the new license #29879 with delegation. Christopher J. seconds. There is a discussion about the confidential documents. None opposed, motion passes. Bruce S. motions to approve the full list of products. Christopher J. seconds. None opposed, motion passes.

- B. License #30395 – New:** **High Society Cannabis** TAB 50
 Licensee: High Society Cannabis, LLC
License Type: **Retail Marijuana Store**
 Premises Address: 708 S Alaska Street, Unit A
 Palmer, AK 99645
 Local Governments: City of Palmer; Matanuska-Susitna Borough
For Consideration: **Public comments received.**

9:42 am: The licensee and Jana Weltzin, counsel, are present in person. **Bruce S. motions to approve the new license #30395 with delegation. Christopher J. seconds.** Matt Chambers, owner of The Connoisseur in Palmer is present on Zoom. There is a discussion of the proposed licensed location in relation to a school and the timing of the application. Perhaps delegation to include documentation from the school – Kinderkid start actually opened for onsite classes after the application was initiated. Enforcement should investigate and obtain historic information if the school was present before 7/2021. Obtain proof that it wasn't closed just for COVID. The board would like the results at the next meeting. **Bruce S. amends the motion as counsel stated. Christopher J. seconds. Christopher J. is opposed, motion passes 4-1.**

- B. License #12173 – Transfer:** **Northern Lights Cultivation** **TAB 51**
 Current Licensee (from): Jesse Hoyt 50% and Jacob Rodriguez 50% – DBA: Northern Lights Cultivation 2
 New Licensee (to): Jesse Hoyt 100% - DBA: Northern Lights Cultivation
License Type: **Standard Marijuana Cultivation Facility**
 Premises Address: 4705 N. Tongass Highway, Apartment 1 Ketchikan, AK 99901
 Local Governments: City of Ketchikan; Ketchikan Gateway Borough
For Consideration: **Public comment received. Department of Labor – Worker’s Compensation and Department of Revenue are non-compliant.**

10:06 am: The licensee is not present.

10:15 am: The licensee, Jesse Hoyt, is on Zoom. **Bruce S. motions to approve the transfer of #12173 with delegation. Christopher J. seconds. None opposed, motion passes.**

- C. License #29087 – New:** **Alice’s** **TAB 52**
 Licensee: CDLW, Inc.
License Type: **Retail Marijuana Store**
 Premises Address: 12111 Horseshoe Drive, Suite 1 Eagle River, AK 99577
 Local Government: Municipality of Anchorage
For Consideration: **Local Government protest pending issuance of municipal marijuana license or a special land use permit. Objections from Community Councils received. Other objections and comments from the public received.**

10:08 am: Jana Weltzin, counsel, is present in person with the licensees. She requests that the board table this application in order to complete the community/public process. **Bruce S. motions to table #29087 to the September 23-22, 2022 meeting. Christopher J. seconds. None opposed, motion passes.**

10:20 am: Break

10:36 am: Reconvened

- D. License #29493 – New:** **L & H Enterprises LLC** **TAB 53**
 Licensee: L & H Enterprises LLC
License Type: **Standard Marijuana Cultivation Facility**
 Premises Address: 29945 Aspen Avenue Sterling, AK 99672
 Local Government: Kenai Peninsula Borough

For Consideration: Conditions by Local Government pursuant to 3 AAC 306.060(b). Public objections and comments received.

10:37 am: Shantell H., licensee, is present on Zoom with Steven Ludley, the business partner. **Bruce S. motions to approve the new license #29493 with delegation. Eliza M. seconds.** There is a discussion regarding filters/water. **Christopher J. is opposed. Motion passes, 4-1.**

E. License #29874 – New: **Smoke Out Point** **TAB 54**
Licensee: Smoke Out Point, LLC
License Type: **Retail Marijuana Store**
Premises Address: 10600 E. Max Drive
Palmer, AK 99645
Local Government: Matanuska-Susitna Borough
For Consideration: **Public objections/comments received**

10:44 am: Jana Weltzin, counsel for the licensee, and Mr. Wells, licensee, are present in person. **Bruce S. motions to approve the new license #29874 with delegation. Eliza M. seconds.** There is no public comment. There is a discussion regarding the location. **Christopher J. is opposed. Motion passes, 4-1.**

● **PROTESTS**

A. License #30244 – New: **Green Market** **TAB 55**
Licensee: Skylimit08 II, LLC
License Type: **Retail Marijuana Store**
Premises Address: 8317 Schoon Street
Anchorage, AK 99518
Local Government: Municipality of Anchorage
For Consideration: **Municipality protests pending municipal marijuana license or a municipal special land use permit.**

10:57 am: Jana Weltzin, counsel for the licensee, is present in person. Eun, licensee, is present on Zoom. **Bruce S. motions to approve the new license #30244 with delegation. Eliza M. seconds. None opposed, motion passes.**

● **Delegated Renewals with Deadline – Taxes Paid in Full or Proof of Payment Plan** **TAB 56**

October 28, 2021 MCB Meeting:

A. License #10004 **Talkeetna Herb Company**
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: Four NOV's for tax delinquency, currently has \$6,952 tax delinquency as of 9/16/2021

Board Outcome: Bruce S. motions to reconsider the renewal with delegation of 60 days to have the taxes entirely satisfied or documentation that they

are on a payment plan. Christopher J. seconds. None opposed, motion passes.

Comments: **60-day deadline was December 27, 2021. Licensee was not on the December 2021 DOR Tax Delinquency list. The license was renewed and issued on December 30, 2021.**

- B. License #10040:** **Alaska Precision**
Licensee: David J. Straub
License Type: **Limited Marijuana Cultivation Facility**
Premises Address: 15520 East Birch Circle
Willow, AK 99688
Local Government: Matanuska-Susitna Borough
For Consideration: Seven NOV's for tax delinquency, currently has \$12,339 tax delinquency as of 9/16/2021
Board Outcome: Bruce S. motions to approve with delegation – 60 days to have the taxes entirely satisfied or documentation that he is on a payment plan. Christopher J. seconds. None opposed, motion passes.
Comments: **60-day deadline was December 27, 2021. Licensee was not on the November 2021 Tax Delinquency list. The license was renewed and issued on November 23, 2021.**
- C. License #10481:** **Goldhill Gardens**
Licensee: Robert M. Mikol
License Type: **Standard Marijuana Cultivation Facility**
Premise Address: 2941 "C" Goldhill Road
Fairbanks, AK 99709
Local Government: Fairbanks North Star Borough
For Consideration: 2 NOV's for tax delinquency, currently has \$794 tax delinquency as of 9/16/21
Board Outcome: Bruce S. motions to approve with delegation of 60 days to have the taxes entirely satisfied or documentation that they are on a payment plan. Christopher J. seconds. None opposed, motion passes.
Comments: **60-day deadline was December 27, 2021. Licensee was not on the November 2021 Tax Delinquency list. The license was renewed and issued on November 23, 2021.**
- D. License #11092:** **Fairbanks Fireweed, LLC**
Licensee: Fairbanks Fireweed, LLC
License Type: **Standard Marijuana Cultivation Facility**
Premise Address: 2101 Sheldon Avenue, Unit 2
Fairbanks, AK 99701
Local Government: Fairbanks North Star Borough
For Consideration: 1 NOV for tax delinquency, currently has \$1,763.00 tax delinquency as of 9/16/21

Board Outcome: Bruce S. motions to approve with delegation of 60 days to have the taxes entirely satisfied or documentation that they are on a payment plan. Christopher J. seconds. None opposed, motion passes.

Comments: **60-day deadline was December 27, 2021. Licensee was not on the December 2021 Tax Delinquency list. The license was renewed and issued on December 30, 2021. The licensee was on the March 2022 DOR Tax Delinquency list, owing \$4,230.00.**

E. License #11957: **Last Frontier Joint Operations LLC**
Licensee: Last Frontier Joint Operations LLC
License Type: **Standard Marijuana Cultivation Facility**
Premise Address: 7180 Revilla Road, Suite 101
Ketchikan, AK 99901
Local Government: Ketchikan Gateway Borough
For Consideration: 9 NOV's for tax delinquency, currently has \$7,999.00 tax delinquency as of 9/16/21

Board Outcome: Bruce S. motions to approve with delegation of 60 days to have the taxes entirely satisfied or documentation that they are on a payment plan. Christopher J. seconds. None opposed, motion passes.

Comments: **60-day deadline was December 27, 2021. The license was renewed and issued on January 12, 2022 due to a low balance (no more than \$6,000.) owed to Department of Revenue. New information shows that the licensee is currently on the March 2022 DOR Tax Delinquency list, now owing \$62,566.00.**

The MCB Board wishes to discuss this license. Jane S. speaks to the issue. The licensee is not present. 1:06 pm: Investigator Johnson, on Zoom, says he contacted Michael Kieser and asked him to join. 1:21 pm: Michael Kieser is present on Zoom. He states they were audited for 2020 by Department of Revenue and there were some mistakes made. He plans to have the taxes paid in full by the end of the month. There is a procedural discussion. No action taken by the board. If not paid, Enforcement can issue an accusation.

F. License #12616: **Frisson Farms, LLC**
Licensee: Frisson Farms, LLC
License Type: **Standard Marijuana Cultivation Facility**
Premise Address: 5060 Haystack Drive
Fairbanks, AK 99712
Local Government: Fairbanks North Star Borough
For Consideration: 6 NOV's for tax delinquency, currently has \$321 tax delinquency as of 9/16/2021

Board Outcome: Bruce S. motions to approve with delegation of 60 days to have the taxes entirely satisfied or documentation that they are on a payment plan. Christopher J. seconds. None opposed, motion passes.

Comments: **60-day deadline was December 27, 2021. Licensee has not been on the DOR Tax Delinquency list from October 2021. The license was renewed and issued on November 23, 2021.**

G. License #13479: **North Star Fire**
Licensee: North Star Fire, LLC
License Type: **Standard Marijuana Cultivation Facility**
Premise Address: 3780 Leasure Street, Suite #3
Fairbanks, AK 99701
Local Government: City of Fairbanks; Fairbanks North Star Borough
For Consideration: Tax delinquency \$1,156.00 (as of 9/16/2021)
Board Outcome: Bruce S. motions to approve with delegation of 60 days to have the taxes entirely satisfied or documentation that they are on a payment plan. Christopher J. seconds. None opposed, motion passes.

Comments: **60-day deadline was December 27, 2021. Licensee was not on the December 2021 Tax Delinquency list. The license was renewed and issued on December 30, 2021.**

H. License #15025: **Mad Mota**
Licensee: Mark A. Ridl
License Type: **Limited Marijuana Cultivation Facility**
Premise Address: 4980 West Greensward Drive
Wasilla, AK 99623
Local Government: Matanuska-Susitna Borough
For Consideration: Yes, 1 NOV for tax delinquency, Tax delinquent \$3,388 (eff. 9/16/21)
Board Outcome: Bruce S. motions to approve with delegation of 60 days to have the taxes entirely satisfied or documentation that they are on a payment plan. Christopher J. seconds. None opposed, motion passes.

Comments: **60-day deadline was December 27, 2021. Licensee was not on the November 2021 Tax Delinquency list. The license was renewed and issued on November 23, 2021.**

I. License #12612: **Absolem's Garden**
Licensee: Absolem's Garden, LLC
License Type: **Limited Marijuana Cultivation Facility**
Premises Address: 13247 East Wykoff Drive
Palmer, AK 99645
Local Government: Matanuska-Susitna Borough
For Consideration: One NOV for tax delinquency
Board Outcome: Bruce S. motions to approve #12612 with delegation of 60 days to have the taxes entirely satisfied or documentation that they are on a payment plan. None opposed, motion passes.

Comments: **60-day deadline was December 27, 2021. Licensee was not on the November 2021 Tax Delinquency list. The license was renewed and issued on December 22, 2021.**

January 19, 2022 MCB Meeting:

A. License #12635: **Green Degree, previously Hilltop Premium Green, LLC**
Licensee: Kerby's Corporation, previously Hilltop Premium Green, LLC (Lynette Kudlacek; Chad Kudlacek; Kerby Coman)
License Type: **Retail Marijuana Store**
Premises Address: 13856 North Glenn Highway
Sutton, AK 99674-8030
Local Government: Matanuska-Susitna Borough
For Consideration: Board delegated approval of transfer of license to Kerby's Corporation pending taxes be paid.

Board Outcome: Bruce S. motions to approve the transfer. Christopher J. seconds for discussion. Bruce S. amends the motion to approve with delegation – delegation being evidence that the related tax debt be paid off within 30 days. Christopher J. seconds. None opposed, motion passes.

Comments: **30-day deadline was February 18, 2022. The license was renewed and issued on January 26, 2022. Licensee was not on the February 2022 DOR Tax Delinquency list. Transfer to Kerby's Corporation effectuated and transferred license issued on February 28, 2022.**

B. 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
Local Government: City of Houston; Matanuska-Susitna Borough
For Consideration: Ten NOV's for tax delinquency, \$36,841 delinquent in taxes as of 12/23/2021 and one NOV for video surveillance.

Board Outcome: Bruce S. motions to approve Tab 48 with delegation. Christopher J. seconds. Bruce S. amends the motion to approve with delegation – delegation being that the entire tax debt be paid off in 60 days. Christopher J. seconds. None opposed, motion passes.

Comments: **60-day deadline was March 21, 2022. Licensee has been on the DOR Tax Delinquency list from March 2021 to February 2022. Licensee came to the office on March 21, 2022 and told the front desk that the payment has been made to DOR. The licensee was not on the March 2022 DOR Tax Delinquency list. The license has not been renewed as of March 23, 2022.**

Renewed license was issued 3/29/2022.

● BOARD CONSIDERATION

A. Licensee: Alaska Wild Coyote, Inc.

TAB 57

1. **License #12125: Alaska Marijuana Gardens (AMG)**
License Type: Standard Marijuana Cultivation Facility
Premises Address: 838 Bonanza Avenue
Anchorage, AK 99518-1707
Local Government: Municipality of Anchorage
For consideration: Licensee owes past-due taxes to DOR. See memo.

2. **License #12471: AMG Concentrates**
License Type: Marijuana Concentrate Manufacturing Facility
Premises Address: 838 Bonanza Avenue
Anchorage, AK 99518-1707
Local Government: Municipality of Anchorage

11:14 am: The transferors are not present. Jana Weltzin is present for the transferor, Silvia, and states her client is not interested in continuing the license.

1:08 pm: Evangelina "Angie", transferee, is present on Zoom. Cindy Franklin, counsel for the transferee, is out of state. The taxes that were paid yesterday (4/13/2022) was through November 2021. They still need to pay December 2021 to present. She states she is working with the state, but not on a payment plan and plans to pay in full when she has the dollar amount. Angie is working with Rebecca Rain, who is not with DOR, she is with METRC and is helping Angie get all her taxes together.

Bruce S. motions to reconsider the initial approvals with delegation for licenses #12125 & #12474 transfers and renewals. Christopher J. seconds. None opposed motion passes.

Bruce S. motions to approve with delegation the renewal and transfer for #12125, delegation to include current on payment plan or paid in full within 60 days. Christopher J. seconds. None opposed, motion passes.

Bruce S. motions to approve with delegation the renewal and transfer for #12471, delegation to include current on payment plan or paid in full within 60 days. Christopher J. seconds. None opposed, motion passes.

- B. License #20827: Good Titrations**
Licensee: FSE, LLC
License Type: Retail Marijuana Store
Premise Address: 506 Merhar Ave
Fairbanks, AK 99701
Local Government: City of Fairbanks; Fairbanks North Star Borough

1. **MJ-14: Licensed Premises Diagram Change**
For Consideration: Enforcement Concerns

TAB 58

2. **MJ-15: Operating Plan Change**

TAB 59

11:23 am: Jana Weltzin, counsel for the licensee, Brandon Emmett, are present in person. Jana W. discusses the layout. There is further discussion regarding the food service and minors. **Ely C. motions to table consideration to the June 29-30, 2022 MCB meeting. Christopher J. seconds. None opposed, motion passes.**

11:47 am: Lunch

● Licenses in “Delegated” Status for Approximately One Year

TAB 60

- A. License #25169:** **Green Degree’s Cannabis Bar**
Licensee: Liberty ER, LLC
License Type: **Retail Marijuana Store**
Premises Address: 2421 Spenard Road
Anchorage, AK 99503
Approved by MCB: January 6, 2021
Pending: **Conditional protest from the Municipality of Anchorage. As of March 31, 2022 staff has not received the lifted protest notice.**
- B. License #25205:** **Cannabaska Concentrates**
Licensee: No Limit, LLC
License Type: **Marijuana Concentrate Manufacturing Facility**
Premises Address: 521 West Tudor Road, Suite 203
Anchorage, AK 99503
Approved by MCB: March 31, 2021
Pending: **Protest from Municipality of Anchorage and MJ-14’s to be submitted for other licenses on the property. As of March 31, 2022 staff has not received the lifted protest notice.**
- C. License #26876:** **Alaskan Originals Cultivation**
Licensee: JJH Holdings, LLC
License Type: **Limited Marijuana Cultivation Facility**
Premises Address: 3590 South Village Street
Wasilla, AK 99623
Approved by MCB: March 31, 2021
Pending: **State Fire Marshal**
- D. License #27736:** **2nd Amendment LLC**
Licensee: 2nd Amendment LLC
License Type: **Standard Marijuana Cultivation Facility**
Premises Address: 20357 W Susitna Parkway
Big Lake, AK 99654
Approved by MCB: March 31, 2021
Pending: **Must provide verification that taxes are being paid consistently, from all LLC’s. There are no licenses affiliated with Casey Wilkins, this licensee, that are listed on the March Tax Delinquency list.**

No action taken by the board.

● Licenses in “Pending Inspection” Status for Over Six Months

TAB 61

A. License #27608:	LeLe Gardens
Licensee:	LeLe Gardens, LLC
License Type:	Limited Marijuana Cultivation Facility
Premises Address:	17833 West Bryant Road Big Lake, AK 99654
Approved by MCB:	June 23, 2021
License Issued:	August 23, 2021

No action taken by the board.

● REGULATIONS

A. Regulations Tracking Sheet

TAB 62

1:32 pm: Christopher J. stepped out. Nick M. reviews the tracking sheet. Joan Wilson and Jana Weltzin are researching the distributing issue. Rick Helms states he has scheduled more meetings.

1:33 pm: Christopher J. returned. Rick H. took over the sign regulation project and is currently working with Chief Hoelscher.

B. Opened Regulations Projects

1. Initial Drafts

Dairy Butter, Oils, Fats – sold as stand-alone product

TAB 63

Status: board discussion

Potential Board Actions: TBD at meeting

Jane Sawyer provides background on project. Joan Wilson points out that the other problem is that a stand-alone dairy butter, oil, or fat... is that to be treated as a concentrate when it really is an edible because the concentrate is being mixed with food?... discussion. She suggests the board should decide who can make this stand-alone product. Nick Miller recalls that originally the board did not want this a dairy butter, oils, and fats to be sold as a stand-alone product directly to the consumer, but he states that the market has changed... more discussion among board members...Barrett Goodell (member of the public) speaks to dairy butters, oils, and fats as a concentrate product vs an edible product. He states that, in his point of view, it is a concentrate because the oil is acting as a solvent just like butane and CO2 would for extraction. He states that a concentrate manufacturing should be able to make it, but, in his opinion, the concentrate product should not go to retails as an edible product for consumer sale because it's a concentrate (being made by a concentrate manufacturer)...more discussion....Jana Weltzin provides comments... believes the original intent was to allow concentrate manufacturer to make only concentrates that are not intended to be stand-alone edible products...DEC exempts concentrate manufacturers from the food part of their review. Joan asks the board if the goal is to preserve it as a means for extraction for a concentrate manufacturer...who can sale it as a stand-alone butter for retail for consumer sale... (it sounds like the consensus is that only product manufacturers should be allowed to make the stand-alone product for consumer sale). Ely states that the way these regulations are written are confusing, and he would like to see the draft be made clear for anyone to understand.

Public Notice – for license applications
Status: initial draft for board discussion
Potential Board Actions: TBD at meeting

TAB 64

Jane Sawyer provides a background of the project. Lots of discussion regarding public radio stations that do not advertise; why is a newspaper such as ADN not sufficient; can it be in the director's discretion; what about a statewide paper or statewide distribution or statewide access. Consensus on re-drafting and bringing back at June meeting.

Waste Management – removing 3-day waiting period
Status: initial draft for board discussion
Potential Board Actions: TBD at meeting

TAB 65

*Jane provides a background of the project. Steve Johnson has not reviewed the draft, but supports this project. Nick feels the METRC report should be enough – sending a form every time is onerous. Glen suggests a signed log to be submitted once a month. Barrett (public member) agrees with Nick – METRC shows who logged the info – that is the point person. **Bruce motions to strike all of paragraph one and put out for public comment for 30 days. Chris seconds. None opposed, motion passes.** The operating plan changes would be submitted with whatever next application is submitted.*

2. Public Comment Period Closed

Enforcement Action Process

TAB 66

Status: oral hearing was held on February 16, 2022. Written public comment period closed February 23, 2022. Comment were received.
Potential Board Actions: TBD at meeting

Director Klinkhart addresses the board.

*He explains the comment received by East Rip regarding 3 AAC 306.801(b)(2), asking providing a reasonable time be defined. The Director gives more background about the concerns of not being defined. Joan Wilson suggests a solution of five business days when requested by director...She states the comment is asking to define "a reasonable time". Bruce appreciates the public comment...Christopher Jaime asks if five days is reasonable for enforcement. Director Klinkhart thinks seven to ten days is reasonable for most... Nick Miller comments... Joan states ten business days is a recognizable definition (meaning, excluding weekends and holidays). **Bruce Schulte motions to amend section 3 AAC 306.801(b)(2) providing access to business records within 10 business days when requested by the director. Christopher J. seconds. None opposed, motion passes. 4-0 (Ely Cyrus is absent).***

*Director Klinkhart explains the public comment from East Rip regarding 306.809[(a)](3). He gives a recommendation in an AMCO enforcement capacity. Chief Hoelscher agrees with the public comment and the Director's comment...Nick Miller supports removing criminal history... Christopher Jaime (inaudible). There is a discussion about how the amendment should read... Joan suggests "prior violations of AS 17.38 and 3 AAC 306 of the license" ...more discussion. **Bruce S. motions to amend draft language in 3 AAC 306.809[(a)](3) to read: any history of prior violations by the licensee of AS 17.38 and 3 AAC 306. Christopher J. seconds. None opposed, motion passes 4-0. (Ely is absent).***

Director Klinkhart explains the public comment from East Rip regarding 3 AAC 306.809(f), burden of proof. He states that the public comment suggests a change from “substantial evidence” to “preponderance of evidence”... Joan discusses “substantial evidence” phrase in legal terms... more discussion. No changes to the draft language.

Moving on: The director summarizes for the board the public comments from AMIA. Same comments made that have already been addressed above.

Next: Director Klinkhart starts summarizing for the board the comments received by JDW Counsel. Joan is looking up “substantial evidence”. Board goes on break.

2:50 pm: Break

3:05 pm: Reconvened – Ely Cyrus still away.

Joan Wilson communicates to board, after doing research over the break, that she is convinced that draft language in 3 AAC 306.809(f) should read “preponderance of the evidence” and not “substantial evidence”. **Bruce S. motions to change language in 3 AAC 306.809(f) by striking “substantial evidence” and replace with “preponderance of evidence”. Christopher J. seconds. None opposed, motion passes 4-0.**

Next: Director Klinkhart reiterates what has already been addressed by the board on JDW Counsel’s public comment. He goes on to read to the board JDW Counsel’s public comment regarding 3 AAC 306.806(b), (c), and (d)... Joan states she sees an amendment request to 3 AAC 306.806(c) for the board to consider. He reads the requested language: “an inspection report must be documented in the license’s enforcement file maintained by the director”. Christopher Jaime asks about the difference between ‘licensee’s’ and ‘license’s’ file....Bruce Schulte asks enforcement about the last sentence of 3 AAC 306.86(b)... He asks whether a verbal warning should be documented.... Chief Hoelscher gives his perspective from an enforcement point... He believes that there is no reason to over document a verbal warning...more discussion. Joan states that if Law is going to be needing to uphold or advising the director of presenting something to increase disciplinary action or fine, a written statement helps support that request.... Christopher J. suggest changing the “must” to “may” in the draft language/sentence... Chief Hoelscher speaks to the ARMS system and how the system would have been helpful in these verbal warning scenarios. **Bruce S. motions to revise 3 AAC 306.806(b)’s last sentence to read: “A verbal warning may be documented in the license’s enforcement file maintained by the director”. Christopher J. seconds. None opposed. Motion passes 4-0.**

Next: Director Klinkhart reads to the board the public comment from JDW Counsel regarding 3 AAC 306.806(c) and 3 AAC 306.806(d)...He states the suggestion is to add the statement to 3 AAC 306.806(c) (as said in the motion).

Bruce S. moves to add sentence to 3 AAC 306.806(c) to read: “an inspection report must be documented in the license’s enforcement file maintained by the director.” Christopher J. seconds. None opposed. Motion passes 4-0 (Ely C. is still absent).

Joan tells the board she sees five places to make a conforming amendment in 3 AAC 306.806 to change the wording from “licensee’s enforcement file” to “license’s enforcement file”. **Bruce S. moves to request a conforming amendment to 3 AAC 306.806 to change the wording “licensee’s enforcement file” to “license’s enforcement file”. Christopher J. seconds. None opposed. Motion passes 4-0 (Ely C. is still absent).**

Next: Director Klinkhart reads to the board the public comment from JDW Counsel regarding 3 AAC 306.809(e)... discussion of options including that the board can recess a regular meeting at the call of the Chair with proper public notice of the meeting given in advance. No action taken on the comment but considered.

Next: Director Klinkhart summarizes the comment from Kerby Coman and tells the board that same comments have already been addressed.

*These changes are not substantial enough to require a need to go back out for public comment. Joan states that the changes are made based on public comment. **Bruce S. motions to adopt the project as amended. Christopher J. seconds. None opposed. Motion passes 4-0 (Ely C. is still absent).***

Reinstatement of License – failure to renew

TAB 67

Status: public comment closed March 16, 2022. No comments were received.

Potential Board Actions: TBD at meeting

*Joan provides a summary. There is a discussion regarding email requirements. **Bruce S. motions to amend the draft to “was sent” vs “was received”.** It does not need to go out again for public comment. **Christopher J. seconds. None opposed, motion passes (Ely C. is still absent). Bruce S. motions to adopt the project. Christopher J. seconds. None opposed, motion passes (Ely C. is still absent).***

● **Board Requests (if any):**

Eliza M.: Would like to explore the broker issue for limited cultivations. Nick M. would support a discussion group to include the industry and the municipality.

4:07 pm: Ely Cyrus has returned on Zoom.

Nick M.: Would like a transportation working group. Possibly discussion on percentage ranges with testing – add this to the testing working group and reducing the harvest batch amount. He would also like the project spreadsheet added to regulations tracking sheet.

Ely C.: He is interested in the broker license discussion.

● **MARIJUANA MAILBOX**

All correspondence received in the marijuana@alaska.gov inbox from December 31, 2021 to March 23, 2022.

TAB 68

No comments.

● **ADDITIONAL PUBLIC TESTIMONY**

Based on current circumstances, the Board may decide to limit public testimony.

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.

4:22 pm: Public Testimony opened. There is no one to testify. Public Testimony is closed.

● **BOARD COMMENTS**

Bruce S. is happy with the progress and congratulates Director Klinkhart.

Christopher J. thanks the board members and says they are trying to make things easier for the industry. He is thankful to the Director for moving the office in the right direction.

Eliza M. thanks the chair for running the meeting and the industry. She liked the delegated consent agenda and voting on applications in batches.

Ely C. echoes the previous comments.

Nick M. thanks staff and the public input. He will miss Director Klinkhart.

● **NEXT MARIJUANA CONTROL BOARD MEETING**

The next meeting is scheduled for June 29-30, 2022, in Nome. All applications must be deemed complete and all other information for inclusion in the board's packets must be received by **June 10, 2022**.

● **ADJOURN**

4:28 pm: Adjourned