

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE 550 West 7th Avenue, Suite 1600

Anchorage, AK 99501 Main: 907.269.0350

Marijuana Control Board

Meeting Agenda Second Judicial District

City Hall, 2022 Ahkovak, Utqiagvik, AK 99723

June 26, 2024, at 9:00 am

Join Zoom Meeting

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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 at 9:07 am
- B. Roll Call -

Bruce Schulte, Board Chair, present in person
Bailey Stuart, Industry Member, present in person
Christopher Jaime, Public Safety Member, absent
Dr. Clift Burke, Public Health Member, present in person
Ely Cyrus, Rural Public Member, present on Zoom
Joan Wilson, Director, present in person
Kevin Higgins, Assistant Attorney General, present in person
Regina Cruz, Records and Licensing Supervisor, present in person
Steven Johnson, Special Investigator, present in person
Jane Sawyer, Program Coordinator, present in person

C. Approval of Agenda

Bailey S. asks about the dates for upcoming Board meeting, Joan Wilson clarifies date is on September 11, 2024, in Kodiak. Bruce S. revisits from last meeting a vote to allow the chair to make motion and second motions and the election of Chair and Vice and Chair. Bailey S. motions to approve the agenda as amended. Dr. Clift seconds. All vote yes, motion carries.

Bruce S. brings up the election as tabled from last meeting as electing the Chair and Vice Chair. Bailey S. motions to elect the Bruce S. as the chair of MCB. Bruce S. seconds. All vote yes motion carries. Bruce S. motions to elect Bailey S. as vice chair. Bailey S. seconds. All vote yes, motion carries. Bailey S. motions to allow chair to make a motion and a second motion. Ely C. seconds. All vote yes, motion carries.

D. AMCO Meeting Code of Conduct

TAB 1

E. Top 10 Zoom FAQ

TAB 2

F. Approval of April 17-18, 2024- MCB Meeting Minutes

<u>TAB 3</u>

Bailey S. motions to approve the minutes from the April 17-18, 2024, meeting minutes, Bruce S. seconds, all vote yes motion carries.

BOARD GOVERNANCE

9:05 am

There are no changes to report.

PUBLIC TESTIMONY

9:10 am

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 mcb.amco@alaska.gov

Recordings and transcripts are available on AMCO's website here: https://www.commerce.alaska.gov/web/amco/MCBMeetingDocuments

<u>Ryan Tunseth:</u> President of AMIA; thank you and welcome Dr. Clift, excited to have you on board. Unsuccessful with tax bill and tax continues to be a big burden on industry and license fees. Working on the farm bill which is a federal landscape specifically effort to reschedule cannabis if

more information needed website: schedule and reform.org. Consolidation for the industry natural market progression.

<u>Jana Weltzin:</u> Attorney; Welcome new public health seat; Renewal Fees since the tax bill didn't pass, a need to work on fees. In Statutes now it says annual registration but doesn't say annual fees. Review fee for onsite venues, no actual paperwork it is just a fee. The industry is hurting; so, anything the Board can do to strengthen the industry. Thank you to the staff for the hard work.

<u>Michael Emmers:</u> Licensee; speaks on solicitations from companies outside of Alaska and it is concerning that people don't have to go to a dispensary and can purchase Marijuana online. Jana W. brings up a that it is a THC A email and got through the postal service, the Director can send a cease-and-desist letter.

9:26 am: Public Testimony is closed.

● DIRECTOR'S REPORT TAB 4

Director Wilson summarizes her report. There are no questions for the Director.

- Discussion Cannabis Potency and Pesticides Testing Lab User Group
- Licensing Renewal Fees Discussion

ENFORCEMENT

Steve Johnson summarizes his report. Bruce S. asked about the Metrc issue about a license administrative hold and the insights. Steve Johnson responds that Investigator Bankowski and Metrc have been meeting on this issue and actively looking into it. There is a discussion about the robberies. Kevin H. makes a point on the Notice of Violation and how the fines are being charged. There was a discussion on how the fines are being charged and the direction from the board.

A. Supervisor's Report TAB 5

B. Notices of Violation Issued and Licensee Responses TAB 6

LICENSING STATISTICS

TAB 7

Regina Cruz summarizes her report. There is a discussion on the renewals that have been received and if the number is normally this low.

REGULATIONS

A. Regulations Tracking Sheet

<u>TAB 8</u>

Kristina Serezhenkov introduces the tracking sheet and notes that two projects, special investigator hiring standards and food application process are now in effect.

B. Opened Regulations Projects

1. Public Comment Period Closed. Public oral comments may not be received at this meeting for this section.

a. Broaden Overlapping Premises

TAB 9

Status: Public comment closed June 10, 2024. Comments were received.

Potential Board Actions: TBD at meeting

Kristina S. introduces the project and Bruce S. summarizes. Bailey S. motions to adopt and send to law for final review. Ely C. seconds. Board discussion. None opposed. Motion carries.

b. Plant Height

TAB 10

Status: Public comment closed June 10, 2024. Comments were received.

Potentfial Board Actions: TBD at meeting

Kristina S. summarizes the project. Bruce S. lays out options for board. Bailey S. motions to adopt and send to law for final review. Bruce S. seconds. Board discussion. Bailey S. notes comments received on flowering plants and batches. None opposed. Motion carries.

2. Open Regulations Projects, Board Discussion

a. Refine Onsite Endorsement for Edibles Only

TAB 11

Status: Draft for board discussion

Potential Board Actions: TBD at meeting

Kristina S. introduces draft and notes parallel regulations project to remove operations plans. Bruce S. asks for clarification of draft wording and layout. Kristina S. outlines the proposed draft changes to 3 AAC 306.370. Bruce S. notes complexity of this regulations change and possible unintended consequences. Joan W. notes example of onsite edible retail in Seward. There is a robust discussion of what 'barriers' should mean or if a barrier should exist for an onsite edible consumption area. Business needs, public safety issues and enforcement are also discussed in depth. Bailey S. motions to remove 'barriers' from the draft language and send to law for initial review and subsequent public comment. Bailey S. clarified the intent of the motion is to get rid of the requirement that the consumption area be isolated from other areas of the store and to remove language at (E)(1)(b). Bruce S. seconds. Board discussion. Ely C – yes, Bailey S.- yes. Dr. Clift B. – yes. Bruce S. – no. Three votes for and one vote opposed. Motion carries.

b. Management Agreements

TAB 12

Status: Draft for board discussion

Potential Board Actions: TBD at meeting

Kristina S. introduces and gives overview of two potential draft versions. Bruce S. asks director if one or both versions meet the identified needs. Joan W. summarizes the issues involved and notes the proposed draft uses the model from alcohol regulations. Bruce S. notes the importance of licensee accountability. Board discussion. Bailey S. comments that the core issue is that AMCO is not being notified of management agreements and that a 10 day notice period is sufficient. Financial interest and 'reasonable management fees' are discussed. Bruce S. motions to amend draft to include a notification requirement and bring back to the board at the next meeting. Bailey S. seconds. None opposed. Motion carries.

c. License Fees Discussion

Status: for board discussion

Potential Board Actions: TBD at meeting

Discussion and board action under 'Renewal Fees' section...

C. For Board Discussion

1. Suspended Imposition of Sentence Change and License Restrictions

TAB 13

Status: Draft for board discussion

Potential Board Actions: TBD at meeting

Kevin H. introduces the issue and discusses a suspended entry of judgment and a suspended imposition of sentence. Joan W. has concerns to ensure that a suspended entry of judgment is not a conviction and that the board is made aware of that. Kevin H. comments there is no need to change regulations. Bruce S. notes there is no problem to fix.

11:37 am: Break

11:48 am: Reconvened, Bruce S., Bailey S., Dr. Clift present in person, Ely Cyrus present on Zoom.

• Discussion Cannabis Potency and Pesticides Testing Lab User Group

Director Wilson introduces the report and gives the goals of the informal working group that met for discussions following the open meetings act. Jessica Alexander speaks about the report. Report recommendations include increasing edibles potency limit and definition of total THC. Delta 8 and Delta 9 intoxicating effects are discussed. Bruce S. asks question on accuracy of potency testing. Jessica A. speaks to the many factors involved in potency testing. Jonathan Strong notes the possibility of having a Delta 9 limit and a separate Delta 8 limit and this is more complicated for testing purposes. Joan W. comments on the intoxicating effect of Delta 8 versus other possible 'Deltas'. Jessica A. notes the goal is to make potency consistent between laboratories. Ely Cyrus comments on the availability of online out-of-state retailers to Alaskan consumers and questions effectiveness of this approach. Bruce S. comments that a discussion on raising the THC limit should not exclude board member Lt. Jaime who is not present. Ely C. notes that there are enough board members to make a quorum. Total THC and how it is calculated is discussed. Bruce S. supports adding Delta 8 in the definition of total THC. Kevin H. asks about CBD strains that include a lot of Delta 8. Jessica A. answers and speaks to CBD, strains and Delta 8. Jessica A. would like to formalize these meetings for awareness for every board meeting.

Bailey S. motions to open a regulations project to redefine total THC utilizing the recommendations from the testing work group. Bruce S. seconds. None opposed. Motion carries.

Plan on rediscussion for September Meeting on the Lab Tester User group and further discussion of the issues.

Renewal Fees:

Director Joan Wilson gives overview of the Renewal Fees report and a proposed alternatives for reduced renewal fees for the upcoming fiscal year. **Bailey S. motions to opens a regulation project to reduce annual fees on all license types, Dr. Clift B. seconds. All vote yes, motion carries.**

Bruce S. motions to opens a regulation project on potentially reducing renewal fees for FY 2025 that are already paid to include the fees with the onsite consumption endorsements. Dr. Clift B. seconds. All vote yes, motion carries.

NEW RETAIL MARIJUANA STORE APPLICATIONS

A. License #37844: Canna Get Happy, LLC TAB 14

Licensee: Canna Get Happy, LLC
Premises Address: 11888 Kenai Spur Hwy #3

Local Governments: City of Kenai/ Kenai Peninsula Borough
Consideration: Will need delegation- See memo

The applicant Sandra M. is present on zoom. There is a discussion with the applicant and the board on the location that had failed by a prior applicant. The city of Kenai had made a mistake with the measurements and is not waiting on the city planning for a resolution. *Bailey S. moves to approve with delegation, Bruce S. seconds. Bailey asks about the bathroom in restricted access, and licensee responds it was a mistake. Bailey S. states the 3-day waste notice is no longer a regulation to the licensee. None opposed, motion carries.*

B. License #: 37259 Flower Mountain TAB 15

Licensee: Flower Mountain, LLC

Premises Address: 842 Main St. Local Governments: Haines Borough

Consideration: Will need delegation- See memo

Bailey S. motions to approve with delegation, Dr. Clift seconds, A discussion of the application on the attached sample of visitor badge and logo. **None opposed, motion carries.**

LICENSE OWNERSHIP TRANSFER APPLICATIONS

A. License #17204 Mary's Garden TAB 16

Current Licensee (from): West Made, LLC (Fred West 50%, Jonas West 50%)

New Licensee (to): Worner Brothers Outpost, LLC (Jeff Worner 66.5%, Allen

Worner 33.5%)

License Type: Retail Marijuana Store

Premises Address: 50110 Sterling Highway Soldotna

Local Governments: Kenai Peninsula Borough
Consideration: Will need delegation

B. License #18945 AK Gold, LLC TAB 17

Current Licensee (from): AK Gold, LLC (Edna Beuhler 50%, Mark Powell 25%,

Shonda Powell 25%)

New Licensee (to): AK Gold, LLC (Mark Powell 75%, Shonda Powell 25%)

License Type: Limited Marijuana Cultivation Facility

Premises Address: 46657 Kenai Spur Highway Local Governments: Kenai Peninsula Borough Will need delegation

C. License #27520 Purgatory Extracts TAB 18

Current Licensee (from): Leaf & Larf, LLC (Jenny Foster 33%, Toby Foster 34%,

John Cox 23%, Robb Rood 10%)

New Licensee **(to)**: Leaf & Larf, LLC (Jenny Foster 49%, Toby Foster 51%)
License Type: Marijuana Concentrate Manufacturing Facility

Premises Address: 43280 Kenai Spur Hwy
Local Governments: Kenai Peninsula Borough
Consideration: Will need delegation

D. License #11411 Red Run Cannabis Company TAB 19

Current Licensee (from): Denali Dispensaries, LLC. (Branden Bartlett 50%, Bradley

Bartlett 50%).

New Licensee (to): Red Run Anchorage Holdings, LLC. owned by (Marc

Theiler 100%).

License Type: Retail Marijuana Store

Premises Address: 225 E 5th Ave.

Local Governments: Municipality of Anchorage

Consideration: Will need delegation

Tab 18 - Bailey S. asks AMCO staff on the non-complaint for Department of Revenue when the transfer is for a Manufacturing Facility and a Retail Marijuana Store, Jane S. responds a transfer of license is sent to state agencies and Department of Revenue checks all persons involved. There is a discussion regarding the taxes owed on this license. Bailey S. motions to approve transfer with delegation for Tab 18 and Tab 19 with delegation, Dr. Clift seconds. None opposed, motion carries.

E. License #12680 Flower Mountain TAB 20

Current Licensee (from): Carol Jean Waldo (100%)

New Licensee (to): Flower Mountain LLC. owned by (Ethan Julian 21.25%,

Kelsey Gay 21.25%, Emily Julian 21.25%, Joel Stuk

21.25%, Kenneth Waldo 15%).

License Type: Standard Marijuana Cultivation Facility

Premises Address: 17 Helms Loop Spur.
Local Governments: Haines Borough
Consideration: Will need delegation

Bailey S. motions to approve Transfer of Licenses for License #17204, #18945, #12680 for approval with delegation. Bruce S. seconds the motion. None opposed, motion carries.

LICENSE CONVERSION APPLICATIONS

A. License #25205 Cannabaska Concentrates TAB 21

Current License: No Limit, LLC

Old License Type: Marijuana Concentrate Manufacturing Facility
New License Type: Standard Marijuana Product Manufacturing Facility

Premises Address: 521 W. Tudor Road, Suite 203 Local Governments: Municipality of Anchorage

Consideration: Will need delegation

Jana W. Attorney and Licensee Smadi present on zoom. **Bailey S. motions to approve license conversion #25205 with delegation, Bruce S. seconds. None opposed, motion carries. Bailey S. motions to approve products for #25205 with delegation,** Bailey S. asks about the shelf life of the products when there are no preservatives in the ingredient list. Jana W. responds that it would have to go through DEC plan review. **None opposed, motion carries.**

WALK-UP OR DRIVE- THROUGH EXTERIOR WINDOW PICK-UP DIAGRAM AND OPERATING PLAN

A. License #15916: K Beach Reef TAB 22

Licensee: KBR Retail, LLC

License Type: Retail Marijuana Store

Premises Address: 42106 Kalifornsky Beach Road Local Governments: Kenai Peninsula Borough Addition of Drive-Thru

Applicant Marc for K Beach Reef present on zoom, there is a discussion on the premises diagram and the location of the drive thru window.

B. License #32773: Red's Outpost TAB 23

Licensee: Zackary Robert Overman
License Type: Retail Marijuana Store
Premises Address: 41790 Sterling Hwy
Local Governments: Kenai Peninsula Borough
Consideration: Addition of Drive-Thru

C. License #10273: Pine Street Cannabis Company TAB 24

Licensee: Croy's Enterprises LLC Premises Address: 36130 Pine Street

Local Governments: Kenai Peninsula Borough
Consideration: Addition of Drive-Thru

D. License #29266: Dandelion Dispensary TAB 25

Licensee: Dandelion, LLC Premises Address: 1053 Haines Hwy

Local Governments: Haines

Consideration: Addition of Drive-Thru

Bailey motion to approve License #32773, #10273, and #29266 with delegation, Dr. Clift seconds. None opposed, motion carries.

Recess: 1:43 pm Reconvene: 2:02 pm

BOARD CONSIDERATION

A. License #21069: Wildflower TAB 26

Licensee: Three Sisters, LLC
License Type: Retail Marijuana Store

Premises Address: 158 Alimaq Dr Local Governments: Kodiak (City of)

Consideration: Changing MJ-28b Operating Plan supplemental

Jana W. atty along with Licensee Kim present on zoom. There is a discussion on the premises diagram on the onsite consumption, the operating plan submitted is not complete. **Bailey S. motions to table the MJ-15 application to the September meeting, Bruce S. seconds. None opposed, motion carries.**

B. License #36998: GOOD Cannabis TAB 27

Licensee: Good LLC

License Type: Retail Marijuana Store

Premises Address: Area B, Lot 7 of Harbor View Subdivision

Local Governments: City of Whittier

Consideration: Protest by Local Government

Jana W. Atty for Licensee along with J. Brandeis Atty for City of Whittier present on zoom. Jason Brandies give overview of the City of Whittier with the city code. There is a discussion on the city of Whittier conditional protest. Bailey S. motions to table License #36998 to the September meeting, Bruce S. seconds. None opposed, motion carries.

Background: This application was approved by the Board at the April 17-18, 2024, Board Meeting in Anchorage. The city of Whittier submitted a protest within the Public Objection period.

TABLED FROM PREVIOUS MEETING(s)

A. <u>2023/2024 Renewals</u> <u>TAB 28</u>

Licensee: FSE, Inc

1. License #20827: Good Titrations

License Type: Retail Marijuana Store

Premises Address: 506 Merhar Ave Fairbanks, AK 99701

Local Government: City of Fairbanks

2. License #20829 Good Titrations

License Type: Standard Marijuana Cultivation Facility
Premises Address: 506 Merhar Ave Fairbanks, AK 99701

Local Government: City of Fairbanks

3. License #10886 Good Titrations

License Type: Marijuana Product Manufacturing Facility
Premises Address: 1770 Donald Ave Suite B Fairbanks, AK 99701

Local Government: Fairbanks North Star Borough

For Consideration: At the April 17 -18, 2024 meeting in Anchorage,

the board tabled the appeal of a denied MJ-18 Residency

verification.

Jana W. Atty for the Licensee present on zoom and provides an update that the Billie Jo Gehrig, has decided to sell out and an MJ-17 Ownership application will be filed with the renewal. **Bailey S. Motions to approve the motion to renewal license #20827, #20827, #10886 with delegation, Dr. Clift seconds. None opposed, motion carries.**

Background: At the April 17-28, 2024, meeting in Anchorage the board voted to table this appeal of a MJ-18 residency application to bring back with a full board present. Taking up the residency of Billie Jo Gehrig who is a 3% shareholder of FSE, Inc. Investigator Jeffrey R. speaks on enforcement concerns of the qualification of a residency waiver when taking care of a terminally ill family member. The Board hears from the licensee and Atty. Jana W. and tables this application to come back with a full board present.

Jana W. Atty. for Licensee. Licensee is present on the attorney's phone. Jana gives overview and provides a MJ20a waiver, as the licensee. Investigator Jeffrey R. gives overview of his discussion with the licensee. A discussion regarding PFD and her residency. Bailey S. motions to table this renewal to the June meeting. Ely. C is up for tabling the application until the June meeting, he currently doesn't believe that she is doesn't qualify to be a resident in Alaska. Bruce S. in inclined to agree and open to table the application. Jana W. Atty. requests that the board table it to come up with another alternative. Bailey S. motions to table to the June meeting with full board. Ely C. seconds. None opposed, motion carries 3-0.

MARIJUANA HANDLER COURSE PROVIDERS

 MHCP029 Alaska Marijuana Handler Permit Online Certification Program by MM411, Inc. dba Medical Marijuana 411 – renewal **TAB 29**

Provider present on zoom; Bailey S. motions to approve #MM411 certification program for approval, Bruce S. seconds. Bailey S. makes a point about the medical module, the questions are more for a licensee and not towards the employee. Bailey S. is opposed. Motion carries, 3-1.

 MHCP038 Alaska Marijuana Handler Certification-Pass Guarantee-Free Retakes by Cannabis Training University – new

Bailey S. motions to approve MHCP038, Bruce S. seconds; Bailey S. has issues with the pass guarantee is because of the free retakes and the questionnaire only has 10 questions, 2 of the questions are about the medical module. **Bailey S. is opposed. Motion carries, 3-1**.

BOARD REQUESTS (IF ANY)

Bailey S. motions to open a regulations project to remove 17.37 (medical marijuana) requirements from 3AAC 306.701 (b) (1). Bruce S. seconds. Board discussion. Bruce S. comments that the 'focus of the training' is included and gives bud-tender as an example as opposed to what a licensee would need to know. None opposed. Motion carries.

Bailey S. motions to open a regulations project to add 'flowering language' to 3 AAC 306.435 to prevent the potential of a flowering plant under 18 inches to become an issue. Bruce S. seconds but seeks clarity of motions language. Board discussion. Motion clarified to read 'a marijuana facility will assign a tracking number (tag) to each plant that is flowering or is over 18 inches'. None opposed. Motion carries.

Bailey S. motions to open a regulations project to remove language from 3 AAC 306.435 that 'a batch may no consist of over 50 clones or cuttings'; Bruce S. seconds. Board discussion. None opposed. Motion carries.

Bailey S. moves to open a regulation project to transition the language of 3 AAC 306 475(e) (4) to utilize the wording 'required upon request'; Bailey S. reads regulation out loud. Board discussion. Bruce S. seconds. None opposed. Motion carries.

Bailey S. opines that there is much work to be done on regulations and that the board consider a pause on licensure; to work on these regulations changes and utilize a pro-active approach to this emergent issue. A pause – or moratorium-would include all license types. Board discussion. Bruce S. asks Kevin H. if the board has the legal authority to do this. Kevin H. says the board has no authority to establish what would in effect be a 'cap' on licenses. Jane S. goes over timelines and accepting applications in the queue. Joan W. – this is a legal question. Bruce S. suggests Kevin H. look into this readdress it at the September meeting. Kevin H. reads 17.38.200 and it outlines timeline requirements and board duties. Bruce S. opines the industry should regulate itself. Ely C. does not support a moratorium and notes new license applications have gone down in comparison with prior years. Ely C. notes he supports free market and fair practices. Dr. Clift B. doesn't agree with the plan for a moratorium.

Director Wilson would like to start looking into how people classify/categorize flower and trim for the purposes of taxation. Board discussion. Steve J. gives examples from scenarios encountered during enforcement. Director Wilson notes a potential solution is verifying sales records. Bruce S. asks about black market and what we are lacking for accurate information to receive reports of black market activity. Kevin H. feels that there is ability to add fines.

● MARIJUANA MAILBOX TAB 31

All correspondence received in the Board's inbox from April 6, 2024, to June 14, 2024. *No comments on the Marijuana mailbox.*

ADDITIONAL PUBLIC TESTIMONY

The Board may decide to limit public testimony.

3:51 pm: Public Testimony is open.

<u>Jason Brandeis</u>, Attorney present on zoom_— Tax classification and the significant changes in the products. A big concern if there are no enforcement on how the products are classified for tax purposes. Clarify the word "trim". Compliance remains an important part of the industry.

<u>Kerby Coleman, Licensee present on zoom–Where are we at from state to state enforcement?</u>
There are many other brands that are selling into our state and how do we enforce.

4:00 pm: Public Testimony is closed.

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 mcb.amco@alaska.gov

BOARD COMMENTS

Bailey S.: Thank you to AMCO, and industry members for their comments.

Dr. Clift: No comments

Ely C.: Nice short meeting and Bruce S. for stepping up for chair and to the Vice Chair. Thanks.

Bruce S.: Thanks to everyone for their hard work.

NEXT MARIJUANA CONTROL BOARD MEETING

The next meeting is scheduled for September 11, 2024, in Kodiak, Alaska.

● **ADJOURN** - 4:02 pm.