

CANNABIS CONTROL BOARD

Regular Meeting | September 10, 2019 | 1:30pm

Large Conference Room | Ricardo J. Bordallo Governor's Complex, Hagåtña

- I. Call to Order
- II. Roll Call of Members/Quorum
- III. Secretary's Report/July & August Regular Meeting Minutes
- IV. Old Business
 - a. Public Awareness Committee - FAQ Revisions
- V. New Business
 - a. Seed to Sale Demonstration
 - b. September 9, 2019 Letter from Speaker Muña Barnes
 - c. Rules and Regulations Committee
 - d. Lab Exploratory Committee
 - e. Economic Committee
- VI. Open Forum
- VII. Adjournment

Cannabis Control Board
Meeting Minutes
July 9, 2019

Opening

Vice Chairperson Shimizu called the regular board meeting of the Cannabis Control Board to order at 1:31 p.m. on July 9, 2019.

Location: Large Conference Room, Ricardo J. Bordallo Governor's Complex, Hagatña.

Attendees Present:

Andrew Quitugua (GPD)
Theresa Arriola (GBHWC)
Dafne M. Shimizu (DRT)
Ursula Herrera (Appointee-representing the business community)
Nico A.C. Fujikawa (GVB)
Linda U. DeNorcey (DPHSS)
Adrian Cruz (Gov. Office)
William Parkinson (Appointee-Medical cannabis card holder)
Chelsa Muña-Brecht (DofAg.)
Senator Clynt Ridgell

Apologies:

Vanessa Williams (Appointee-Representing the general public)
Stephen Ignacio (GPD)

Approval of Minutes

- The minutes of the June 11, 2019 meeting were unanimously approved as distributed, subject to corrections:
 - *Director Arriola makes a motion to approve the June 11, 2019 meeting minutes subject to corrections: Expand on the appointee designation (ie. William Parkinson, Appointee- Medical cannabis cardholder). Director Fujikawa seconds the motion. Motion carried.*

Old Business

- Data on Marijuana arrests, Major Quitugua reports:
 - Report attached, see appendix A. 2013-2017, Multi-Jurisdictional Drug Task Force Activities.

New Business/Committee Reports

- Rules and Regulations
 - Chair Shimizu reports:
 - Report attached, see appendix B.
 - Subcommittee met on July 3, 2019. Decision was made to approach each meeting as a working session to focus on review/discussion/development of rules by agency. The Colorado Rules and Regulations as well as the PFC Regulator's Program Guide for Cannabis will be utilized as the basis for developing the rules and regulations. This last meeting they focused on the lab and cultivation section. She also noted that the medicinal marijuana rules & regs are utilized when drafting recreational rules & regs.
 - Director Muña-Brecht:
 - The medicinal marijuana lab guidelines will be mirrored. Also, discussed ways to establish growing guidelines to allow cultivators to apply for the license, begin cultivating, storage and testing, while waiting for a lab to be established.
 - Mr. Cruz clarifies that there will be no distribution until an inspection is completed and passed through the labs, with the proper licenses.
 - Director DeNorcey:
 - New Mexico state lab testing model is of interest, as it allows a delayed testing. It will be added to the Medical Marijuana meeting and she will update CCB.
 - Director Muña-Brecht reports:
 - Subcommittee will be meeting at 3pm after today's CCB board meeting.
 - Discussion topics: a) Adopting medicinal standards, establish a clear definition of sample testing. b) Establish adult use + medicinal lab procedures as well as lab licensing processes for medicinal and recreational. c) Establishing cultivator processing guidelines and application process.
 - *Asks that the board review §10216, pg. 93 of PL34-80.*
- Lab Exploratory

- Economic
 - Mr. Fujikawa reports:
 - Report attached, see appendix C.
 - Recap: 3 approaches- 1) Economic Impact Study 2) Retrospective Impact Study 3) Two Phase Study
 - *Mr. Fujikawa makes a motion for consideration of the three options listed: 1) Economic Impact Study 2) Retrospective Impact Study 3) Two-phase Study. To include a discussion by the board. Ms. Arriola seconds the motion. Motion carried.*
 - Discussion: Director Arriola prefers the Two-phase study because it satisfies the law and provides tangible data and the impact on the economy. Director Parkinson's concern with the two-phase study is that the projected impact vs. actual impact is the latter correcting the first. Director Muña-Brecht adds that it is important for the decision making process and determines whether it is necessary to hire additional personnel and the type of economic impact it will have on the island. Mr. Cruz adds, that in relation to the costs, UOG could do the first half for minimal to no cost, after the CCB has made some money from business taxes, they could have a paid firm conduct a more in depth study. UOG's data modeling would be beneficial for future data accuracy. Director Arriola asks Director Fujikawa how involved UOG is in the Economic subcommittee meetings; he states that the economic professors haven't been able to attend. Director DeNorcey adds that the retrospective study is the most realistic way to see the trend and know how much revenue will be generated. Chairperson Shimizu emphasizes the importance of projections and to determining what to expect in taxes. Senator Ridgell states the initial EIS without the data would be very expensive and questions whether the UOG students have the capacity to conduct the study without the foundational data. He adds that the cumulative data would indicate behavioral issues which he feels needs to be invested in, or be paid with license fees/excise taxes.

Senator Ridgell further reiterated that the initial study was meant to be a baseline of where the economy is at currently, and the second study would show how the economy is impacted.

- Chairperson Shimizu referencing PL 35-5, §8120 suggests submitting a letter to the Legislature, seeking assistance from Senator Terlaje for clarification on the exact study needed.
 - *Director Muña-Brecht makes a motion that the Cannabis Control Board submits a letter to the Legislature requesting clarification on the focus and intent of the study. Director Parkinson seconds the motion. Motion carried.*
- Public Awareness
 - Director Arriola reports:
 - Report attached, see appendix D.
 - Subcommittee meeting minutes will be emailed once approved.
 - At the July 2nd meeting, they have decided as to what needs to be disseminated to the public, to clarify misinterpretations of the law.
 - See attached, appendix E: 10 Things To Know About Recreational Cannabis Use (July 9, 2019). Corrections and input from board are as follows: 2) Possession is legal for 1oz. or less than 28 grams on my person. 3) Cultivation is allowed on private property (with owner's permission)...7) How does this affect my job? Note: The Government of Guam is still a drug free work place. 9) Add -'or shipped' to the end of the statement.
 - *Director Arriola makes a motion to approve '10 Things To Know About Recreational Cannabis Use FAQ's', subject to input and corrections as listed above. Director Muña-Brecht seconds the motion. Motion carried.*

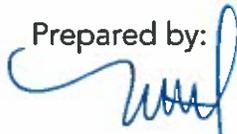
Open Discussions/Announcements

- August Fest- Referencing pg. 9, §8104 PL35-5: As a cultivator, if you have a lease, you are in lawful possession. Economic Study: Recommends surveying the actual consumers to determine what the market will yield.
- The next CCB regular board meeting will be on August 13, 2019 at 1:30 p.m.

Adjournment

The Cannabis Control Board meeting was adjourned at 2:51 p.m.

Prepared by:

 9/10/19

Ursula Herrera
Secretary

Noted by:



Dafne M. Shimizu
Vice Chairperson

Cannabis Control Board
Meeting Minutes
August 13, 2019

Opening

Chairperson Williams called the regular board meeting of the Cannabis Control Board to order at 1:42 p.m. on August 13, 2019.

Location: Large Conference Room, Ricardo J. Bordallo Governor's Complex, Hagatña.

Attendees Present:

Dafne Shimizu (DRT)

Vanessa Williams (*Appointee-Representing the general public*)

Ursula Herrera (*Appointee-representing the business community*)

William Parkinson (*Appointee-Medical cannabis card holder*)

Carrisa Pangelinan (Acting Director, GBHWC)

Nico A.C. Fujikawa (GVB)

Linda U. DeNorcey (DPHSS)

Adrian Cruz (Gov. Office)

Apologies:

Stephen Ignacio (GPD)

Chelsa Muña-Brecht (DofAg.)

Approval of Minutes

- The minutes of the July 9, 2019 meeting were tabled.
 - *Chairperson Williams- Please note that the audio file of the July 9, 2019 CCB meeting has been uploaded to OPA's website.*

New Business/Committee Reports

- Rules and Regulations
 - Chair Shimizu reports:
 - CCB Status Update attached, see appendix A.
 - Met with Attorney General on August 12, 2019; AG's Office will be assisting DRT in preparing the Rules and Regulations. They reiterated that they would be assisting the agencies, as opposed to the board.

- Lab Exploratory
 - Director DeNorcey reports:
 - References CCB Status Update above, see appendix A.
 - Met with Attorney General on August 12, 2019; AG's office will provide guidance as to how other states use Seed-to-Sale software, matching the needed specifications so Guam. They recommended Washington and Colorado. The AG's office also provided a list of vendors who offer the software. They have received two RFO's as of present. The AG's office will also offer technical support in getting the RFP's moving.
 - AG's office recommended setting up a separate email for the software RFP's for the procurement process. The RFP's will be advertised DoAdmin, DRT and DPHSS's website.
 - Vice-Chair Shimizu will be scheduling a meeting with Marijuana Enforcement Division director, Mr. Jim Burack from Colorado to further discuss Colorado's experience with the software.
 - DRT and DPHSS will be working hand in hand to tailor the specifications.
 - DPHSS subcommittee highlighted Rules and Reg's priorities: a) Labeling and Safety b) Health
 - The \$750K DPHSS budget has been eliminated which included the \$125K earmarked for the software; they are exploring ways to come up with the funds for the software. They will be moving forward with the RFP specifications.
 - The AG's office advised DPHSS anything in excess of over \$100K requires an EIS and a business plan for the proposal process. Technical support will be provided by the AG's office.
 - *Seed-to-Sale demonstration will be added to the next CCB's monthly meeting agenda.*
 - ❖ Discussion:
 - Chairperson Williams: CCB is required by law to have a seed-to-sale system. Regardless if the regulations are in place, licenses cannot be issued unless the software is setup. Given that the RFP specifications are being worked on currently and if funding is identified by October, the seed-to-sale system wouldn't be in place any sooner than next year. Mr.

Cruz suggests establishing the growing specification for flower only, pending the lab setup. Potency would be the only factor that can't be quantified, falling under the caveat of consuming 'at your own risk'. He suggests using the fees from the licenses to fund the seed-to-sale software.

Chairperson Williams suggests that all these factors are taken into consideration when structuring the license fees. Vice-Chair Shimizu is concerned that the level of fees will not be sufficient enough to cover. The other concern she has is that there isn't any funding for the staff to key-in the fees to the system. The idea is to use the excise tax to fund the software program, but you can't get the excise tax until the program is started. Mr. Cruz suggests having smaller growing operations with a larger fee until the seed-to-sale software is up and running. He adds that another option would be to add to the license fee; pay a seed-to-sale tax until the software cost is recouped, then offset the fees incurred in the first year of business.

- Director Parkinson reports:
 - Report attached, see appendix B. Draft proposal letter to submit to the legislature regarding the possibility of a lab waiver, asking to amend PL33-220 §122528.
 - Mr. Cruz suggests that 'cannabis flowers' be added to the amendment.
- ❖ Discussion:
 - Chairperson Williams: PL 35-5 states that potency be analyzed and that there isn't any leeway. She recommends looking at our own statute and then proposing an amendment where needed. A medical marijuana commission amendment shouldn't come from the recreational board. Mr. Cruz adds that the agricultural rules be followed. If the approved 'best growing practices' are followed, the product shouldn't have hard metals, mold, etc. and you would be in compliance thus addressing the safety component.

- Mr. Parkinson will draft a new letter under the recreational law, to include cannabis flowers.
- Economic
 - Mr. Fujikawa reports:
 - Submission of letter to the legislature seeking clarification/intent of the EIS:
 - Chairperson Williams has received clarification from Senator Ridgell and AG's office about the EIS. They advised that it is within GVB's discretion to set the parameters, detailing the specifications and moving forward with their RFP's. GVB may move forward either way.
- Public Awareness
 - Ms. Pangelinan reports:
 - Report attached, see appendix C.
 - 10 Things to Know About Recreational Cannabis FAQ's Draft attached see appendix D.
 - Final amendment: #2. How much can I have on me or in my vehicle? As of August 2019, possession is legal up to 1oz. (28 grams) of dried flower. Cannabis concentrate and cannabis infused products are not available for consumption until a licensed cannabis retailer is established on island.
 - *Director Parkinson makes a motion to approve the 10 Things to Know About Recreational Cannabis FAQ's as amended. Vice-Chair Shimizu seconded the motion. Motion carried.*
 - Next meeting will be held on August 20, 2019 at 10 a.m.
- Deadlines & Timeframes
 - Vice-Chair Shimizu- Rough draft for cultivators will be ready by October 8th.
 - Chairperson Williams suggested focusing on the draft rules for cultivators and facilities; continue accepting license applications. The Rules+Regs subcommittee will utilize the Patient Focused handout provided by Director Muña-Brecht as a reference guide. Mr. Cruz suggests switching the Lab

Exploratory subcommittee to the Seed-to-Sale subcommittee. Director Fujikawa suggests drafting a fee schedule by the October 8th deadline.

Open Discussions/Announcements

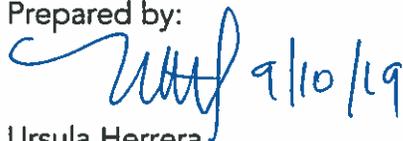
- David Cruz inquires if that he has seed-to-sale software, would he be able to use it.
 - The board is open to looking at the software, however the requirement is for the government to have their own seed-to-sale tracking system.
- August Fest, citing PL34-80 he states that there is a 2-year stopgap measure for the seed-to-sale tracking. He suggests that the board ask the legislature to amend the law to put it under CCB Rules+Regs, to keep the 2-year timeframe. And to have it start only when lab, cultivators and dispensaries are in place, as a way to get the industry started. He adds that there is nothing in the law that states that the seed-to-sale law needs be a extensive computerized software. All it states is 'tracking' which can be done by hiring a bookkeeper, using pen and paper.
 - Mr. Cruz adds that there may not be enough manpower to do the tracking. Regarding the 2-year deferment Chairperson Williams says that it something she can look into.
- Tom Fisher asks which agency will be the procurement authority for the seed-to-sale. CCB reply: DHSS. He asks that because it is a computer program it doesn't sound like a professional service, but an invitation for bid (IFB). If it is an IFB as opposed to an RFP, there's a difference of 6 months. He also asks for reasonable accommodation for the hearing impaired, suggests using microphones.

- The next CCB regular board meeting will be held on September 10, 2019 at 1:30 p.m.

Adjournment

The Cannabis Control Board meeting was adjourned at 3:45 p.m.

Prepared by:



Ursula Herrera
Secretary

Noted by:



Vanessa Williams
Chairperson