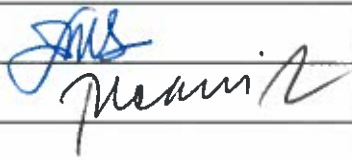
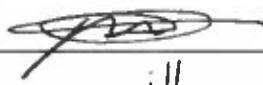
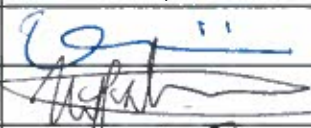

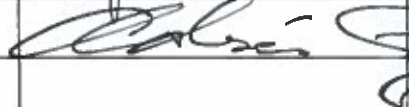


Guam Department of Revenue and Taxation
 Cannabis Control Board Regular Meeting
 Small Conference Room | Richardo J. Bardallo Governor's Complex, Hagatna
 Meeting Date: December 10, 2019 | Time 1:30pm

	Board Members	Position Title	Signature
1	Chelsa Muna-Brecht	Director, Department of Agriculture	
2	Linda U. DeNorcey	Director, Department fo Pubic Health & Social Services	
3	Dafne Mansapit-Shimizu	Director, Department of Revenue & Taxation (Vice Chairperson)	
4	Theresa Arriola	Director, Guam Behavioral Health & Wellness Center	
5	Chief Stephen Ignacio	Guam Police Department	
6	Nico Fujikawa	Director of Tourism Research, GVB	
7	Ursula Herrera	Board Secretary	ill
8	Atty. Vanessalee Williams	Board Chairperson	
9	William M. Parkinson	Member	
10	Adrian Cruz	Agri.	
11			
12			
13			
14			
15			

This is to certify that the above inforcation is ture and correct:



Board Secretary

12/10/2019

Cannabis Control Board
Meeting Minutes
December 10, 2019

Opening

Chairperson Williams called the regular board meeting of the Cannabis Control Board to order at 1:30 p.m. on December 10, 2019.

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

Attendees Present:

Vanessa Williams (*Appointee-Representing the general public*)
Adrian Cruz (DOAG)
Nico A.C. Fujikawa (GVB)
Dafne Shimizu (DRT)
Theresa Arriola (GBHWC)
William Parkinson (*Appointee-Medical cannabis card holder*)

Apologies:

Ursula Herrera (*Appointee-representing the Business community*)
Linda U. DeNorcey (DPHSS)
~~Chelsa Muña-Brecht (DOAG)~~ *ra/*
Stephen Ignacio (GPD)

Approval of Minutes

- November 5, 2019 meeting minutes-Tabled.

Old Business

- Public Awareness Committee
 - FAQ Revision 3
 - Director Arriola agrees with the change to number 8, adopted at the CCB meeting on November 5, 2019. She states that is ready for 'final adoption and press'.
- Review and discuss DRAFT Rules and Regulations Sections
 - Chairperson Williams reiterates the process of rules adoption: Review each section of draft language, format the rules, preliminary cost impact assessment + our economic impact statement + study, agency notice, public hearing, Department of Administration, Governor's office, AG's office, Legislature for review.
 - Director Arriola: Page 1 of 13, section a3: Cannabis Identification Card, Cannabis Establishment Occupational License: Manager and Employee, she suggests making it clear that every employee pay the fee.
 - 'Transporter' will replace 'courier' so the language is consistent terminology.
 - Responsible Official owns and operates and has legal responsibility, but not necessarily the manager. They are responsible for agents and employees.
 - Subsection (b)- Change to: The following Cannabis Establishment licensing fees are required to apply for the following.
 - Micro growers- Suggestions are \$500 for over six plants under 500 square feet; filed under Type IV, cottage grower.
 - Licenses will be issued by Department of Rev and Tax. Permit issuance needs to be decided by the board. Suggestions are that CCB review and approve new licenses. Renewals would not go through the CCB.

New Business/Committee Reports

- Fire Code Presentation, Guam Fire Department Fire Marshal Joey A. Manibusan. The PowerPoint slide presentation is attached to the minutes, See appendix A. See also article referenced: <https://www.nfpa.org/marijuana>
 - Guam references are 10GCA §73111, 2009 International Fire Code, which is adopted for building and fire codes. They are in the process of adopting 2018 International Fire Code, which has provisions including addressing the cannabis industry. The need for consistent terminology is emphasized for all Cannabis industries, licensing, Public Health, fire codes and building codes.
 - The National Fire Protection Association (NFPA) Standards are all applicable to start Guam's marijuana industry.
 - Hazards highlighted; Egress, being able to get in and out of a building where the space occupied is maximized. 24 hour lighting systems can cause fires and create hazards for workers. Different stages of cannabis growth will be in season year round creating a facility that utilizes dividers that are hazardous, due to the delay of public safety emergency responders exiting or entering the building. Crops getting caught on fire and the gas released can affect responders. Electrical loads have potential fire and electrocution. Fumigation issues regarding mold, mildew and fungus will become a hazard. Illegal locks and barriers creating issues for any emergency responder. CO₂ enrichment, extraction processes use certain solvents such as butane and propane.
 - Regulation oversight, in the absence of a stand-alone code, it is appropriate to use approval alternatives in the interim until the lawmakers decide how to adjust and create a special code. Guam has yet to adopt any codes for the cannabis industry. He suggests looking at the industry with existing codes and use them as a model.
 - Using existing buildings raises concerns; authorization from Department of Land Management, approval for use, ability to facilitate growing cannabis and the use of hazardous/explosive materials. GFD is concerned with standards and code compliance.

- Economic Committee
 - Nico Fujikawa: EIS update- GVB is finalizing the contract for the Economic Impact Study. The timeline given was 8 weeks.

Open Forum/Announcements

August Fest: Yeah, not knowing what you have made your draft but going by what was already in medical when many comments throughout the meeting saying you're going to follow medical with regard to the fees. This is why we have the new bill with the recreational or adult use is because the fee structure on the medical side was so out of whack. Because we want to have an application for license and the license and application for the permit for the largest sized cultivation site they have which is only 10,000 square feet. You add them all up, you're at \$50,000 plus thousands of dollars in DRT and \$1,000 for the identification card for the responsible official. In Colorado, Oregon, the successful states, their whole total fees are only \$5,000 and they get 30,000 square feet for their

biggest cultivation size. So you need to want to get this business industry off the ground, you got to make it reasonable. And I heard you discussing this micro business which I think is a great idea, but you might want to look at what the CNMI is doing as well, you've got to make sure everything that's going on with all the levels. Now with the micro, you want to be able to ease it up to make it easier for the smaller cultivator, the craft business. Not making it more and just as restrictive and just as costly. So what's the use of having a micro business if you can't take advantage of the microenvironment?

Chairperson Williams: I think when we come back and revisit the fees too they'll be part of the discussion and looking at, okay, if we add all these up, what's the total cost for Type I, Type II, Type III, Type IV? Thank you! Any other comments from member of the public?

Thomas Fisher: Good afternoon. My name is Thomas Fisher. I'm a member of the public. I just wanted to make a few comments follow up with that gentleman's comments as to the fee structure. I'm sure you all know every dollar that you increase a fee is a further barrier to entry. So I would ask that you give careful consideration to the amount of fees the government has a legitimate necessary need to generate revenues. Nobody's going to argue with that. You must generate revenue to keep the machine working. I think it's also worthwhile to look at what has happened in California. Guam has an entrenched mature marijuana industry right now. It's been going on for at least a century. If your fee schedule become such that it is more expensive to purchase marijuana at a legitimate dispensary people will go to their neighbors just as they always have. So you may find an increase in revenue actually drives down your gross receipts in this case. So I ask you to consider that. I think that the black industry will grow, whereas the white industry will wither. So, and then in that's not going to fulfill anybody's desires. I was interested to hear that Rev and Tax has done a cost analysis. I think that's terrific. You guys are the experts. You would know when, you know if you went too high on a fee, it looks great on paper, but you might have actually driven five people out of the room. So you'll be collecting less. So I'm glad that you are having the discussion on fees. I'll wrap it up. My main point is this: When do you anticipate your job will be finished and the legislature will receive the rules and regs. I would ask you to further consider, for example, that the state of Illinois with a population of 12.9 million people legalized marijuana five months ago and they were able to complete the rules and regulation function and the store's lights are on now and have been for about a week. And they did it within five months. So if you take that, as a member of the public trying to build a fire under this, please do, because that's what we're trying to do. This is a potentially tremendous industry. And there are people who are ready to go.

Chairperson Williams: So one, our jobs are never going to be finished. Our job in drafting the rules is going to be done by April, because we're required by law to do that. The cannabis control board is going to be in existence, remain in existence after that. So we're not going to disappear after that.

Thomas Fisher: Okay. Well, that wasn't really the intent of the question. The question was, I think it's the legislature that's going to receive the rules and regs, when do you anticipate that happening?

Chairperson Williams: Look it's going to happen by April, required by law to do that. We're trying to make that happen as soon as reasonably possible, meaning, we don't want to just cut and paste from any other jurisdiction. I don't know what happened in Illinois. And I don't know what actually goes on in other jurisdictions and I think maybe other members of the board are better versed in that as agency directors. But I think that what we're trying to do is and what we consistently heard when we talk to other jurisdictions and other industries experts is there's only the thing that's right for Guam, you know, there's not one size fits all industry blueprint for marijuana. So we're trying our best to do that. I think another problem that we face in Guam is our population is a fraction of 12 million. Our

resources across the board are also as limited. You know, we don't have our seed-to-sale software system in place. We have our own, you know, I don't know what the other jurisdictions administrative role making processes, but I think that we're doing this as quickly as we possibly can also considering all the unique challenges to a marijuana industry.

Thomas Fisher: Do you think you will meet the April deadline?

Chairperson Williams: Absolutely. And I think that there's a lot of groundwork that's taking place to get to this point where we are where we have our, you know, now we have our draft language. I don't want to say the draft rules yet because the board has not actually adopted this. We're just looking at language and that we have to consult with the compiler laws and you know, get it into a digestible format that's understandable by the public. But we will do that before April.

Thomas Fisher: Okay. Well, that's I mean, bottom line, you guys were appointed for a reason to do your job. So we know that you will do it, but it's encouraging. Noticeably, there's at least one member of the legislature here. It's encouraging to know that they can expect to see it on their desk in April. Thank you very much.

- Chairperson Williams proposes meeting at least twice a month. Upcoming CCB meetings are as follows: January 7th 14th and the 21st.

Adjournment

The Cannabis Control Board meeting was adjourned at 3:10 p.m.

Prepared by:


Ursula Herrera
Secretary

Noted by:


Vanessa Williams
Chairperson

CANNABIS CONTROL BOARD

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

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

- I. Call to Order
- II. Roll Call of Members/Quorum
- III. Secretary's Report/November 5, 2019 Regular Meeting #8 Minutes
- IV. Old Business
 - a. Public Awareness Committee - FAQ Revisions
 - b. Review and discuss DRAFT Rules and Regulations Sections
- V. New Business
 - a. Fire Code Presentation - GFD Asst. Fire Chief Joey A. Manibusan
- VI. Open Forum - *Five (5) minutes per attendee/topic
- VII. Adjournment