

Nevada Cannabis Compliance Board Meeting Minutes September 19, 2023

The Nevada Cannabis Compliance Board (CCB) held a public meeting at 555 East Washington Ave, Room 2450, Las Vegas, Nevada and 1919 College Parkway, Meeting Room 100, Carson City, Nevada beginning at 9:00 a.m. on September 19, 2023.

Cannabis Compliance Board Members Present:

Adriana Guzmán Fralick, Chair

Riana Durrett, Vice Chair

Jerrie Merritt

Bryan Young

Hon. Michael Douglas

Chair Guzmán Fralick called the meeting to order, and Executive Director Tyler Klimas took roll. Chair Guzmán Fralick, Member Douglas, and Vice Chair Durrett were present in Las Vegas. Member Young was present in Carson City. Member Merritt was present via video conference.

Instructions to join the meeting the meeting via Zoom for public comment were read aloud.

I. Public Comment

Amanda Connor stated that several consumption lounge applicants were given extensions until September 29, 2023 to submit all documents, or they could submit a request by September 15th for an extension to be heard at the September 26th Board meeting. Ms. Connor asked for those who did request an extension to have process where the extension can be considered given that the September 26th Board meeting was rescheduled.

Dan Steele provided comments regarding Regulation 11. Mr. Steele stated that proficiency testing is a critical component of the ISO standard. Laboratories participate in proficiency testing at least once per year and they shall retain their records for a minimum of four years. Those documents should be made available.

Chair Guzmán Fralick noted that there was a workshop regarding lab regulations scheduled for September 26th.

II.Meeting Minutes

A. Consideration for approval of the August 22, 2023, Cannabis Compliance Board Meeting minutes.

Chair Guzmán Fralick asked for a motion on the meeting minutes. Member Douglas made a motion to approve the meeting minutes. Member Durrett seconded the motion. There was no additional discussion. All Members said aye. Motion carried.

III.Consideration of Approval for a Conditional License for a Cannabis Consumption Lounge.

Chief of Investigations David Staley presented the agenda items to the Board. Chief Staley noted that if approved, the applicant will need to complete necessary local approvals and a final

inspection by the CCB.

A. Inyo Fine Cannabis Dispensary, L.L.C. (D017, RD017)

Chief Staley stated agenda item A was a request for approval from Inyo Fine Cannabis Dispensary for a retail-attached consumption lounge in Las Vegas. Inyo plans to operate its consumption lounge as a venue for vendors and various brands to showcase their products. All required information has been submitted to move to conditional license status and no areas of concern were identified during the investigation.

David Goldwater and Chris Olsen appeared on behalf of Inyo Fine Cannabis Dispensary and made an affirmative presentation. Mr. Goldwater presented what went into their business decision, the strategic mission for the consumption lounge, what makes Inyo a valued community partner, and the importance of the culture of compliance. The vision for the lounge is an alliance with strategic partners. Inyo is not vertically integrated and has the ability to develop relationships with Nevada, national, and international brands. Inyo has been a valued community partner by taking over a space that sat vacant for many years and works with law enforcement. The lounge will provide a compliant space for consumption in the neighborhood. Mr. Goldwater compared the lounge to a destination such as movie theater in a casino, or it may be a loss leader for the dispensary. A culture of compliance will be upheld in the consumption lounge.

Member Durrett and Member Young thanked Mr. Goldwater for the presentation.

Chair Guzmán Fralick asked where the lounge would be located. Mr. Goldwater responded that they leased 800-900 square feet adjacent to the dispensary. There will be some remodeling done in the dispensary with the lounge eventually having 1,200 square feet. Chair Guzmán Fralick asked for the time frame. Mr. Goldwater stated that he was respectful of the timelines set in statute and thought maybe second or third quarter of next year.

Member Douglas made a motion to approve the conditional consumption lounge as to agenda item III A for Inyo Fine Cannabis Dispensary. Member Merritt seconded the motion. All Members said aye. Motin carried.

B. FCWC Operations LLC (ACON-A22-00012)

Chief Staley stated item B was a request for approval from FCWC Operations, LLC for an independent consumption lounge in Las Vegas. FCWC submitted all required information to move to conditional license status. No areas of concern were identified during the investigation.

Winston Fisher and Briana Martinez appeared on behalf of FCWC. Ms. Martinez stated the Mr. Fisher was the sole member of FCWC. The consumption lounge will be located in the vicinity of Area 15 and the city has provided approval on entitlements for the consumption lounge.

Mr. Fisher is a partner at Fisher Brothers and the CEO and co-founder of Area 15. Mr. Fisher provided background information on Fisher Brothers and Area 15. The goal was to be the premier safe, inviting, warm, and creative consumption lounge, and to bring a spirit of creativity, energy, hospitality, and safety. Mr. Fisher added that he understood compliance and strong operations. Mr. Fisher was excited about the opportunity to redefine how people think of a consumption lounge.

Member Douglas asked where the space would be located. Mr. Fisher responded that there was adjacent space around the Area 15 campus that is separate from Area 15.

Member Durrett thanked Mr. Fisher for the presentation and asked how the consumption lounge would work with the family friendly Area 15. Mr. Fisher responded that the lounge would not be located by the front door and there will be a separation; it is adjacent but not in the path that children would walk. Mr. Fisher did not want to hurt the family friendly market and there would be strict door policies. On Friday and Saturday nights, Area 15 is 21 and over only after 10:00pm.

Member Durrett asked if it was worth it having to buy at retail prices. Mr. Fisher responded that they hoped to get a better than retail price from a dispensary with a strategic deal; there would also be merchandise.

Chair Guzmán Fralick asked what the hours would be. Ms. Martinez responded that they planned for it to be 24 hours, but plans have not been finalized. Mr. Fisher added that they had strong door policies and take compliance seriously.

Member Durrett had concerns with children being able to visibly see consumption. Mr. Fisher responded that it would be completely separate from the rest of the area and not promoted to children. Chief Staley noted that the project will still need to undergo approval by local jurisdiction and the CCB inspection and audit division; floor plan inspections are included in that work in addition to security procedures, camera coverage, etc. Member Durrett wanted to see the plans before they were built out. Member Douglas asked if building and zoning was underway. Ms. Martinez responded that they did not start building as they were waiting for the conditional approval. Ms. Martinez asked where plans should be submitted to. Chief of Audit and Inspections Kara Cronkhite stated that all building plans, SOPs, and procedures go CCB audit and inspection for review; information can be shared with the Board.

Member Durrett made a motion to approve the agenda item III B, approval of a conditional license for a consumption lounge. Member Young seconded the motion. All Members said aye. Motion carried.

IV. Approvals and Resolutions

A. Notice of Final Licensure

Chief of Administration Steve Gilbert presented the notice to the Board of the establishment that has been issued a final license since the last Board meeting.

1. Deep Roots Harvest Inc. (T024)

Chief Gilbert stated Deep Roots Harvest Inc. was awarded a conditional distribution license in the Mesquite jurisdiction. On July 18, 2023, a pre-opening inspection and audit was conducted, and the distribution facility was found to be in compliance. The CCB approved and issued the final license on September 7, 2023.

V. Briefing from the Chair and the Executive Director

Chair Guzmán Fralick did not provide a briefing.

Executive Director Klimas stated that consumption lounge applicants have been operating under a 90-day extension. There are a number of applicants that have not submitted all the required documents, mainly the capital requirement for both the independent and social equity applicants. Applicants were advised that they must request another extension by the end of the month and provide the reason. Staff is prepared to grant another 90-day extension if requested in writing. Director Klimas added that extensions can't go on forever; at some point in the next year, the applicants will need to come before the Board.

Member Durrett asked if there should be a regulation regarding extensions, a rule for when extensions stop. Member Durrett suggested that could be discussed at a workshop.

Member Durrett asked if the independent applicants made representations that they would have the funding. The ones that were approved might not like extensions for the other independent applicants. Director Klimas responded that representations were made that they would be able to secure funding. The regulation in place allows for 90-days to submit or the option to apply for an extension. It may be appropriate to debrief after this licensing round is completed. Director Klimas supported reviewing what was done and seeing what could be put in rules, policies, and regulations to make sure it is as smooth as possible going forward.

Director Klimas stated that November 5th was the date for the most recent round of extensions for final licensure. There are 19 entities that have not gotten their final inspection or submitted for an extension of the November 5th deadline. The Board will hear some of these beginning next month. Director Klimas advised licensees to submit the application for extension so it can be processed. Chair Guzmán Fralick asked what other notice will be given and Director Klimas stated that a 30-day notice will be sent out.

Member Douglas thought that there needed to be a firm deadline in writing. Along with the discussion regarding consumption lounge extensions, there can be extensions allowed but also firm drop-dead day. There are people who took a chance on a license where cannabis operations weren't allowed and at what time do you cut bait. It needs to be in writing so that people are aware of the stakes and the chance being taken, and under what circumstances extensions will be given.

VI. Next Meeting Date

The next Board meeting is scheduled for October 24, 2023

VII. Items for Future Agendas

Chair Guzmán Fralick noted the drop-dead deadline for discussion.

VIII. Public Comment

There was no public comment.

IX. Adjournment

Meeting adjourned at 9:51 a.m.