



RALPH DLG. TORRES
Governor

ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CANNABIS COMMISSION

A meeting of the CNMI Cannabis Commission will be held on **Friday, April 16, 2021 at 10:30 A.M.** at the Office of the Commonwealth Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

AGENDA

- I. Call to Order
- II. Roll Call/Determination of Quorum
- III. Consideration and adoption of Agenda
- IV. Consideration and adoption of Minutes of prior meetings
- V. Public comment

- VI. New Business
 1. Discussion on Budget Request for ARPA funding
 2. Discussion on Resolution to amend reporting requirements
 3. Discussion on Processor licensing and inspection requirements
 4. Discussion on personnel training requirements of licensees

- VII. Old Business
 1. Discussion on Cannabis Tracking System RFQ
 2. Publication presentation & discussion on website
 3. Discussion on commercial premises onsite inspection SOPs

- VIII. Executive Session
 1. Legal matters – AAG

- IX. Managing Director's Report

- X. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall, the House of Representatives Entrance Hall, the Senate Entrance Hall and the Office of the Commonwealth Casino Commission.

Written comments on the agenda may be submitted to the CNMI Cannabis Commission, through the Office of the Governor or emailed to info@cnmicannabis.org on or before the meeting date. Oral testimony may be presented during the meeting on Friday, April 16, 2021.

CNMI Cannabis Commission
Regular Session Meeting Minutes
April 16, 2021

I. Call to Order

Chairwoman Nadine Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 10:44 a.m., which was held at the Office of the Commonwealth Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

II. Roll Call/Determination of Quorum

Chairwoman called roll of the commissioners:

Vice Chairman Matthew Deleon Guerrero, representing Saipan, was present;

Secretary Journie Hofschneider, representing Tinian, was present;

Treasurer Valentino Taisacan, representing Northern Islands, was present;

Member Thomas Songsong, representing Rota, was present (telephonically).

Chairwoman confirmed all five members present and quorum.

Acting Managing Director Ms. Janina Maratita and AAG Keisha Blaise were also present in the meeting.

III. Consideration and adoption of Agenda

Chairwoman asked if there is any addition to the agenda or motion to approve agenda.

Secretary motioned to approve agenda, seconded by Vice Chairman, motion carried.

IV. Consideration and adoption of Minutes of prior meetings

Secretary pointed out that the September 18, 2020 minutes was disseminated to the commissioners. Chairwoman made a motion to table the September 18, 2020 minutes for further review, seconded by Treasurer, motion carried. All commissioners voted in favor to table the above-mentioned minutes.

V. Public Comment

Chairwoman opened the floor for public comment. Treasurer verified common areas for the presence of any members of the public. Chairwoman later announced that no members of the public were present for public comment.

VI. New Business

1. Discussion on Budget Request for ARPA funding

Chairwoman indicated that Managing Director Monique Sablan was tasked to prepare a funding request for the commission under the ARPA funding, which will include cost for cannabis tracking system, office equipment and hiring of personnel, if allowable under ARPA.

Acting MD brought up an issue with the commission's excessive and disputed CUC water billing cost to consider for inclusion in the ARPA funding request, citing a similar situation with DLNR's Parks and Recreation Division where they are disputing its water billing and are inserting that excessive water bill cost in its ARPA funding request.

Discussions continued on the commission's excessive water billing and water leak, and if the leak is still occurring; Treasurer mentioned that he repaired a leaky valve outside the building's premises.

Chairwoman asked Secretary and Member Songsong to also provide a list of items for their respective satellite offices on the islands of Tinian and Rota for inclusion in the commission's ARPA funding request.

Vice Chairman asked if the commission is clear with whether ARPA funds can be used for cannabis related industries; acting MD replied "no," and that if the commission is unable to obtain ARPA funding, then the funding request would fall under local funding.

Vice Chairman mentioned that he is aware that ARPA did open up tax credits for cannabis related businesses but is unsure if any of the states are attempting to backfill their regulatory bodies with ARPA funds.

2. Discussion on Resolution to amend reporting requirements

Chairwoman referred back to the start-up inventory reporting requirement expiration of January 2021 and the fact that the commission did not issue its first license until March 2021, and thus, opened the floor to discuss the possibility of amending the start-up inventory reporting requirement up to January 2022.

Vice Chairman reminded the members that the start-up inventory reporting requirement is contained in the regulation where it could be amended, and not by resolution.

Chairwoman stated that if all members are agreeable to the regulatory amendment to update the start-up inventory reporting requirement date to January 2022, that subject matter will be included in the next meeting for voting. All members agreed.

Chairwoman announced that the commission's next meeting will be held sometime during the first week of May 2021, then moved on to the next agenda item as there was no further discussion on this agenda item.

3. Discussion on Processor licensing and inspection requirements

Chairwoman mentioned a certain interest for a processor license although the commission's processor requirements is not fully complete, and that the Vice Chairman provided the application form for endorsements.

Vice Chairman mentioned endorsements being a secondary step and is established in the regulations, and that the intention is the commission would not provide for the eligibility for requesting an endorsement, but all other processor requirements are applicable.

Secretary and Vice Chairman exchanged discussions on laboratory testing requirements for edibles, concentrates, etc., and with topicals not necessarily requiring lab testing. Secretary mentioned interests for processor license were geared towards edibles, and that a certain producer is interested in processing extracts with leftover cannabis materials. Vice Chairman pointed out that a producer may do so if they have a processor license.

Vice Chairman asked if anyone applied for processor license, which the acting MD replied "yes, one applicant." Vice Chairman continued that the regulation states the applicant must request for an endorsement upon submission of initial application, and asked if the applicant requested for one, which the acting MD responded "no."

Secretary asked if the commission should advise the applicant to request an endorsement. Vice Chairman responded that the commission does not have an endorsement process at the moment, and that although the regulation stipulates that the applicant must request for an endorsement upon the initial submission of application, endorsements can also be requested at any time during licensure. Secretary stated that the processor applicant would need to be advised to apply for an endorsement, the Vice Chairman inserted, "for the endorsements the commission has."

Acting MD acknowledged the Vice Chairman and Secretary's statements, and then proceeded to mention that the processor applicant submitted only an application with incomplete documentation, and has not been issued an Approval-in-Principal letter.

Chairwoman asked if that applicant ever followed-up with their processor application to which the acting MD responded that she was informed that their processor application

and license is not a priority for them for the time being as they are focusing on their producer licensure.

4. Discussion on personnel training requirements of licensees

Chairwoman recommended looking into all the available cannabis training institutions and programs to consider as requirements, including the posting/showing of training certifications at licensed cannabis establishments.

Secretary cited the commission's considering several stateside online cannabis training, the types of training involved, and associated costs.

Chairwoman stated the need to set cannabis training standards, its incorporation into the regulations, and the need to start developing those guidelines.

Vice Chairman mentioned the setting of minimum standards for internal controls, and that although not necessarily applied in other jurisdictions, this commission could set a standard on what the internal controls should be, to include all training requirements; he further explained that in the case of a processor applicant, a processor standard operating procedure must be submitted, however, the commission has not given guidance as to what the commission is looking for in a processor SOP, so that's where the commission needs to set minimum requirements as to what the commission seeks in a SOP, which would be a separate document or inserted into regulation.

Discussions continued on inspections conducted, employee age requirements, training and qualifications, conversations with clients, licensee's update of information, and required reporting to the commission.

Chairwoman closed the discussion by reiterating the need to identify cannabis training standards and training institutions for implementation.

VII. Old Business

1. Discussion on Cannabis Tracking System RFQ

Chairwoman mentioned her several inquiry visits to procurement for requirements for a request for proposal (RFP), but was unable to gather information, however, she managed to acquire information from another agency. Chairwoman continued to describe the variations between a request for quotation (RFQ) and RFP, and stated the RFP better suits the commission in defining and describing the commission's project and goals, and

that the RFP's description for the commission's CTS needs which will be submitted to procurement in the coming week. Commission members had no question or comment, and agreed to the RFP's submission to procurement when completed.

2. Publication presentation & discussion on website

Chairwoman mentioned her work on some changes to the commission's website layout to make it appear more as an official government website as she felt unsure about the website's appeal.

Vice Chairman injected his view that as long as the website performs its primary function with having information, minutes, agendas, and applications available for public review, the website's aesthetics is secondary and nothing to worry about. Secretary agreed.

Chairwoman mentioned the commission's website will be published on April 20, 2021, and its website link provided to the commission.

3. Discussion on commercial premises onsite inspection SOPs

This subject matter was not particularly elaborated on. Discussions pertained to site inspections, licensee SOP and ability to review regulations, compliance issues, commission policies, public informational resources, and related matters.

VIII. Executive Session

1. Legal Matters – AAG

Chairwoman motioned to move into executive session at 11:51 a.m., seconded by Treasurer; Chairwoman announced exiting of executive session at 1:22 p.m.

Chairwoman stated the issues discussed in executive session involved the appeals process and the acting MD's seeking legal advisement and guidance concerning issues with a site inspection for the purpose of deciding a recommendation to the commission for licensure.

IX. Managing Director's Report

Acting MD reported in executive session for reasons related to matters necessitating legal guidance.

X. Adjournment

Chairwoman motioned to adjourn meeting at 1:31 p.m., seconded by Secretary.