

2-7-2024 Medical Cannabis Production Establishment Board Meeting Minutes

Deputy Commissioner Kelly Pehrson Calls Meeting To Order - Utah Department of Agriculture and Food
Members in Attendance: Deputy Commissioner Kelly Pehrson, Dr. Edward Walker, Chief Jason Williams, Miles Maynes, Drew Gubler

Deputy Commissioner Kelly Pehrson Reads Statement: “All participants will be muted until asked to speak by the board. If you are a company representative please click Raise Hand when it is your time to speak and one of our admin will unmute you. During the public comment period please type in the chat box or click Raise Hand to be called on by the board, at which point you will be unmuted. Thank you to everyone for working with the department to ensure a professional and efficient meeting.”

2024 Medical Cannabis Production Establishment Board Dates

- February 7th | Documentation Deadline: January 17th
- April 17th | Documentation Deadline: March 20th
- June 12th | Documentation Deadline: May 15th
- August 14th | Documentation Deadline: July 17th
- October 9th | Documentation Deadline: September 11th
- December 4th | Documentation Deadline: November 6th

Cody James Updates on Standard Wellness Cultivation: “As Kelly mentioned, based off of the December 13th board meeting, a couple of the board members requested an update on Standard Wellness Cultivation. So just a quick update overall that since that time, some of the cases that were closed, there were four violations that had come up since any cases closed that were reported at the December meeting. They had a couple of instances where they had a violation of security requirements where they had some cameras that were not working and they were offline for approximately 20 days. They had a violation where they did not send us a formal response for some fertilizers that were needed to be added to their Operating Plans, some plants that didn't have identification and some agent card issues there. And then lastly they had a situation where they had three different inventory control violations where there's some plants that weren't- that were over eight inches that were not tagged. They had a situation where they had some inventory showing but some of their trays actually were missing several products each and then they had a situation where a product was reported in the ICS to be have been wasted- or that was still in the waste aspect and had not been destroyed but it actually had already been incinerated a couple days prior to that. I should go on to say that although they've had those four violations that late on Friday, February 2nd, Standard Wellness provided the department two emails, one detailing the internal action items that Standard Wellness states that they will be following to better their compliance for the future. The list includes biweekly full inventory audits of all cannabis material on site, comparing physical counts to inventory data in the MJ Freeway. Random audits will be conducted on the following: cannabis weight, and then also ensuring the items are off the floor, ensuring employees are badged, and agents' inventory labeling will be checked, and other compliance or operational issues that they deem necessary. They also noted that this is not an all inclusive list, but those are a couple of examples that they provided for us. They stated in the email that they'd be starting the process about updating their SOPs. It says that Standard Wellness Utah LLC has hired an employee who is a licensed Commercial Pesticide Applicator to oversee their pesticide applications. They've compiled a compliance checklist to be completed monthly to prevent compliance issues. The full employee list to ensure that staff are properly badged and badges are not expired. They're going to record a record of all scales on site, along with certification date and recertification dates, checking the visitor log to ensure all required fields are completed and are completed and are accurate. They've developed a citation log to ensure that all citations are recorded and responses are provided to the state on time, a manifest log that ensures that all manifests are filled out entirely and accurately, and then a couple more here. Maintain an inventory list of all pesticides and fertilizers maintained on site to ensure that they are approved and listed in the company's operating plan, and lastly, they've mentioned that maintain an inventory list of all pesticides and fertilizers and make sure that they have the proper MSDS or MSD sheets, Material Safety Data Sheets. As I mentioned, there were two emails. The second email contained a Monthly Inventory Audit Report that they performed and stated that they will be sending something similar to this

every month throughout the following year. To follow up on the summary, I will say that inspectors have recently performed two inspections at Standard Wellness Cultivation, and the first of which was found to be in full compliance.”

Kelly Pehrson Reads the Medical Cannabis Production Establishment Board Processing Application Renewal Rules: “4-41a-201.1 (8) (iii) the board shall consider, for each cannabis processing facility seeking renewal, information including; (A) methods and procedures for extraction; (B) standard operating procedures; and (C) a complete listed of the medical dosage forms that the licensee products. 4-41a-203. Renewal. The department shall renew a license issued under Section 4-41a-201 every year if: (1) the licensee meets the requirements of Section 4-41a-201 at the time of renewal; (2) the board does not identify: (a) a significant failure of compliance with this chapter or department rules in the review described in Section 4-41a-201.1; or (b) grounds for revocation described in Subsections 4-41a-201(9); the licensing board may revoke a license under this part: (b) after the third of the same violation of this chapter in any of the licensee’s licensed cannabis production establishments or medical cannabis pharmacies; (e) if the cannabis production establishment demonstrates a willful or reckless disregard for the requirements of this chapter or the rules the department makes in accordance with this chapter; (f) if, after a change of ownership described in Subsection (15)(b), the board determines that the cannabis production establishment no longer meets the minimum standards for licensure and operation of the cannabis production establishment described in this chapter.”

Medical Cannabis Tier 1 Processing Application Renewal Approval: Dragonfly Processing

Cody James Introduces Dragonfly Processing: “Dragonfly is a Tier 1 Processor. Dragonfly has two Processing Licenses, this one is the one located in SanPete County. They produce concentrates only as an approved medicinal dosage form. They produce these products by using an ethanol extraction. This last year Dragonfly did not have any quality assurance failures from this processor and over the last 12 months they only had 1 violation. It was for security violations. We found that there was a container and some sheets stacked on top of a shelf that were out of the view of the cameras. And they also had found some missing information from a visitor’s log there that led to that 1 violation for security requirements there. Which is actually, so the 1 violation is actually less than what they had a year before in 2022. They actually had a total of 8 violations, so they’ve done a really good job of getting into compliance and staying into compliance. If the department has one concern, is that this processing location has had several camera outage concerns. It began mid -year of 2023 and they have worked with the department to try and fix the issues. The department met with the licensee on December 12th to discuss the final action plan and to bring the camera issues into compliance due to the extended time from the start of the camera concerns. And as of the end of January, we still have not received the final timeline on having that provided to us. So that is just the one concern and maybe Paul or someone else could speak to that. But other than that, Dragonfly’s in compliance with their local municipalities and all the other aspects that they need to be to be able to continue licensure with the state. They’ve got their business license and they’ve got their bond and they have completed all good manufacturing practice requirements. All their scales have been approved by weights and measures. And with that, I’ll turn it back to the board.”

Dragonfly Processing States: “My name is Jeff Chan. I oversee compliance at Dragonfly. I guess I’ll start off with this warning first. So, basically, there was some cookie sheets and stuff like that that were kind of stacked in front of the... not cookie sheets, some sheets that were stacked kind of, like, in front of the camera. We obviously had those moved. In regards to the visitor’s log, I believe the badge number was missing. So what we did was- we obviously made that a required field on the checkout form, on the digital checkout form. So in regards to the cameras, it was kind of a perfect storm that happened that caused all of these issues that we were having, stuff like software updates, firmware updates, the server going down, and stuff like that. So we worked with the department, came up with a plan to kind of hopefully fix these issues for good, which include moving the server into a different area. It’s going to be a little bit cleaner in that area, not as hot. So dust and heat are extremely bad for electronics, so we’re moving that. The room that we’re moving it to, we’re actually framing a new room for it, so we’re doing that right now. The department has actually reached out and asked if we could finish it within 30

days. I'm working with the team to ensure that we are able to meet those requirements, and that's kind of where we're at right now."

- Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;

Q. Drew Gubler asks if Dragonfly plans on there being more outages during the 30 day allowance period and how they are going to ensure that there is enough coverage during that time.

A. Dragonfly states that they do not plan on there being more outages. They state that the majority of outages were caused by software and firmware updates. They hope that by moving the server into a cleaner environment the need for the updates will stop.

Q. Miles Maynes asks for clarification on whether the camera issues pertain to Dragonfly's processing or cultivation license.

A. Dragonfly states that their Moroni processing location and their cultivation location share the same facility, so it pertains to both licenses.

- Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed
- Miles Maynes moves to approve the Medical Cannabis Tier 1 Processing Application Renewal for Dragonfly Processing
 - Motion Seconded - Drew Gubler
 - All Present - YES

Medical Cannabis Tier 1 Processing Application Renewal Approval: Zion Alchemy

Cody James Introduces Zion Alchemy: "Zion Alchemy is a Tier 1 Processor located in Salt Lake County. They are approved to create the following medicinal dosage forms for products: cartridges and pens, flower, infused edibles, infused non-edibles and other concentrates. Zion is approved to use ethanol and solventless extraction methods. Zion Alchemy had 1 quality assurance failure, for cannabinoid purity. That product was not remediated, it was actually destroyed. So they followed the statute and ruled to destroy that rather than remediating. For the last year, they had 9 total violations. They had 1 violation for a cannabis product product quality, there was found a product that had additional information listed on the package, they had a situation where they had some equipment located in a warehouse there that was not on the operating plan, they had a cannabis extraction requirements violation where they were, as well as the transportation violation, where they were missing material safety data sheets for some acetone. Then they had some transportation manifests that were missing times of transportation. They had a product quality, as I mentioned, violation where the cannabinoid measurements were off on the product labeling, exceeding to 10%. They did what they were supposed to after that was found. They had a violation for a change of operation. They moved that equipment without a change request, not allowing the department or the board to know where that was going. They had inventory control, as well as transportation, one where they had the location of a product within the ICS was inaccurate. And they also removed the cannabis waste from the ICS, the inventory control system, before it was actually destroyed. And then again, they had some transportation manifests that were missing some departure and arrival times. They had another transportation violation where a product was, as well as an inventory control, where a product was actually in a vault, but it was not in the ICS in that location. And then again, there were some missing departure and arrival times on their transportation manifest there. Overall, as I mentioned, they had 9 violations for the license year 2023. They had 9 violations in 2022. I will go on to say that there were several conversations about being able to move equipment back and forth, some of them heated, some of them a nice type of thing. But I think we got that to an understanding where they've submitted some operating change requests in the recent months to make sure we understand what's going on. Zion Alchemy is in compliance with the municipalities such as holding a business

license and the bond. They've completed and met the GMP requirements and then scales. And other than that, I would turn it back to the board.”

Q. Drew Gubler asks for clarification on the 1 citation, 5 warnings, and 9 violations.

A. Cody James stated that a citation can hold more than one type of thing. A single citation can have warnings as well as the violations. That the number of violations presented to the board is more of an overall amount rather than the amount of citations.

Zion Alchemy States: “I'm Blake Smith, I'm the CEO of Zion's. So like Cody mentioned we worked with the department on a couple things. One of the challenges we've had this year was, we have a limited number of grinding machines that dispose of our waste, and so we were trying to move one of our grinders from our processing facility to one of our cultivation facilities so that we wouldn't have to repeat buy the equipment. The equipment we use is expensive and, you know, if you have equipment that you can move we wanted to do that. Understanding, after meeting with Cody, the requirements and why that wouldn't work, I think we found a resolution on that. When it came to what we consider to be more major stuff, in terms of quality control, rather than even try to fix that we'd rather just destroy it. Get rid of things that are not to the quality that we would like them to be.”

- **Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;**

Q. Miles Maynes notes that the sitting recorder signature on Zion Alchemy's business license is B. Smith and questions if Blake Smith self-certified the document.

A. Zion Alchemy states that the B. Smith is not Blake Smith and that they are not self-certifying.

Q. Miles Maynes asks if Zion Alchemy currently has an hot hemp in their inventory.

A. Zion Alchemy states that they do not have any hot hemp currently in inventory.

Q. Miles Maynes requests feedback from Zion Alchemy about their usage of MJ Freeway and an internal ICS. Notes that the use of the two may be the cause of some of their inaccuracies.

A. Zion Alchemy states that it is of their opinion that MJ Freeway provides more challenges than solutions. They have had instances where MJ Freeway has dropped inputted data after entry. They have created an internal inventory system to aid in the event of an audit, giving them the accurate information for how they're counting and measuring all their SOPs versus what MJ Freeway has kept. They state that it is a backup redundant system for when MJ Freeway fails them.

A. Cody James states that a total of 2 inventory control violations across all licensees over a year is low.

- **Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Tier 1 Processing Application Renewal for Zion Alchemy**
 - **Motion Seconded - Josh Daniels**
 - **All Present - YES**

Medical Cannabis Tier 1 Processing Application Renewal Approval: Tryke

Cody James Introduces Tryke: “Tryke is another Tier 1 Processor. Tryke is located in Tooele County. This past year, Tryke has limited their processing operations but are working to have their facility fully operational again in the coming year. Tryke is approved to create the following dosage forms: cartridges and pens, flower, infused edibles, infused non-edibles, and other concentrates. Tryke is approved to use ethanol and solventless extraction methods.

Tryke had only 1 failed quality assurance test this year for foreign matter, and that product was remediated after that notice was given and it did pass again. Over the last year, Tryke has received 13 violations, just to quickly go through some points on that. They had 1 for medical cannabis transportation, where we found that there was two transportation manifests that did not have the route taken attached to those. They also had a change in operating plans for packaging products and lab extraction area in the designated packaging room, as outlined in their operating plan. They had a couple of labeling and packaging violations. We found that a product had additional information on the package, which was not allowed by statute or rule. At one point, they did not list all of the total THC. They actually just had Delta 9 THC listed on their label. They had the FACT panel, again, we found that again on a separate product as well, where the FACT panel only had the total THC, or did not have the total THC listed. They actually just had Delta 9 on it. They had a couple of situations with the facility agents, where we found an employee that was working without their agent card, and then another one that had not been signed into the visitor log, and we found out later that that employee had not done their application to become an agent, thus not making it an approved way to work on the visitor log as the policy suggests. Another transportation one where Tryke did not have did not complete the physical transportation manifest. At one point when we switched from the old rule to the new rule, as far as labeling, we found that the product actually had a website on the packaging, which is not allowed. Found another product with the website on the packaging. Again, those things have been fixed and they went through that quite extensively to cover those things up. Another transportation where the transportation manifest were not being signed by the driver or the receiver. And then we found several manifests that were missing such things as signatures and dates on the producer side, as well as some facility information; where it was going. Just really overall, we found them during a short time frame, in September, we found several problems for a couple of their transportation manifests which led to a warning. Then a couple of times they had some security requirements where there was only 30 days of footage being retained and then when we went back and verified on that there was only 41 days of footage being retained instead of the 45 that's required. Again, in 2023 sorry they had 16 violations overall. Up a little bit from the 11 violations that they had in 22. As you can see, some of them were trying a lot of them transportation manifests type of thing as well as a couple of label things that should be cleared up based on rules not changing too much but um i actually need to apologize I just accidentally switched over to the wrong group. Tryke actually had 13 violations in 2023 down from 14 in 2022. The rest of that actually stands as far as the types of violations being fixed. Again, just to reiterate, they are down 1 violation over the past year. I apologize for that misstep. Tryke is in compliance with the local municipalities, as I mentioned for the others, they've got their business license and the bond, have met the GMP and the scale requirements. I'll turn it back to the board."

Tryke States: "Allen Roth, Director of Compliance for Tryke and Curaleaf. Hi. Thank you, Cody. One thing to clarify, when Curaleaf purchased Tryke UDAF was notified at the end of 2022 that the lab was going to be temporarily closed for manufacturing and as such, no manufacturing occurred in 2023. The lab is still sitting there. They have not made the decision what they want to do with that license. The basic idea was that, and as Dr. Walker can attest, the North Salt Lake Lab, also a Tier 1 Processor license, is so far ahead in investment, equipment, all along the line, including being certified for a third-party GMP, decision was made to move all processing solely at the North Salt Lake facility. We are not manufacturing the Tryke products anymore for manufacturers, so at this point in time, it's basically a room that is just holding all the equipment that was there in the first place. As for the transfer manifest issue, and I apologize for those, it was a struggle getting the team to, quite honestly, dot all the I's and cross all the T's. The intention was good, but the implementation was not perfect. I created a QC sheet for both the North Salt Lake facility and the Tooele facility, and I believe we've really ramped down in any reoccurrences of those. I believe that was the biggest issue. We did straighten one area out in which I believe one or two of the transfer manifest issues were actually transfers from inter-facility. We have a cultivation facility and a processing license, and the team wasn't clear who had to sign what when they're just moving it across a hallway. So I believe those were a few of the items in which signatures were not fully there. At this point in time, I was out there last week. I do hold quarterly audits and at least bimonthly visits. Things are looking great over there. I believe the last few inspections have gone well, and we appreciate all the efforts by UDAF and the communications. Thank you."

Cody James States: "I'd just like to, again, reiterate that I misspoke there. It was my mistake that, again, that Tryke was actually slightly better in their violations than they were the year before. Again, apologize for misspeaking about that prior."

- Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;

Q. Miles Maynes asks Tryke to explain the process for the transportation manifests. He notes that it is an Adobe Intake Form and questions if they are able to edit it after submission.

A. Tryke states that if a driver is delayed they will opt to simply initial next to the exact time rather than creating a new form. They believe that another part of the issue is implementation and people QCing their work.

- Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed
- Dr. Edward Walker moves to approve the Medical Cannabis Tier 1 Processing Application Renewal for Tryke
 - Motion Seconded - Drew Gubler
 - All Present - YES

Medical Cannabis Tier 1 Processing Application Renewal Approval: Pure Plan

Cody James Introduces Pure Plan: “Pure Plan is a Tier 1 Processor located in Salt Lake County. They moved from a Tier 2 license to a Tier 1 about a year ago. The medical doses forms that they’re producing are: cartridge/pens, flower, concentrates and infused edibles. They produce these products using solventless extraction. Pure Plan had zero failed quality assurance samples this past year but they did have a handful of violations; 16 in total. I’m just going through a couple. The cannabis processing facility license violation where they did not get their food establishment certificate, meaning they did not get their GMP inspection by regulatory services before it expired. Had a situation where they had a number of products that violated the label and packaging standards. They had a couple products that had fact panel problems. Had a situation where the logo and the brand name were too large, above the 20%, and they had a couple products that had some information, some illustrations and some depictions that were not allowed on labels. Later in the year we also found some products that were in violation of the packaging labeling where they were missing the common name on the package, they did not have the THC warning symbol, the fact panel information was off, the warning language was actually from the old rule, and then they had some additional information related to the location of the manufacturing, and a molecular symbol that, again, led to the information illustrations not allowed on labels. A couple of inventory control situations where they were off on counts in the inventory control system. It was a small difference for the first one, but they weren’t able to explain where that discrepancy came from. Later on, they actually had several products that did not match the inventory control system, some of them more than others. Then again, to some labeling and packaging violations where the common name or usual name of the product wasn’t on the package. Another inventory control violation where they had inventories off by more than 20 units in the ICS. Then some security requirement violations where they had moved some shelves that were part of a certain room that blocked the activities that was going on in that room for us to be able to identify the person, what they were doing. And then they also had a newly installed conveyor belt that was actually causing a blind spot for employees that were working on the second level as well. Some more inventory control aspects, they had six items, all about the four grams each that was missing. They were listed to be in one room but none of these products were actually in that location and it was interesting that they were all the same amount and in different areas. Change in operating plans, they had not submitted a change request. There was a couple months ago, and this was kind of based on a wall that created a blind spot. Their inventory DEA cage, as they call it, had a blind spot in that which caused some security requirement violations. Some more inventory control and change in operation ones, we had found two jars that were found that didn’t have readable tags and then we also observed that there was a doorway that was removed that led to another licensee’s area. There’s been some back and forth on that and reasons for that being but a change request was not submitted as Pure Plan was taking over that area that used to be part of that other licensee. Overall I submitted a handful of warnings and violations that add up to 16 violations. A slight increase from 2022 where they had 11

violations as a Tier 2. Other than that, Pure Plan is in compliance with the other requirements such as business licenses and the bond. They do currently have a GMP inspection through our regulatory services division and their weights are all up to where they need to be as well.”

Pure Plan States: “Trent Meisenheimer here, CEO of Pure Plan. Yeah, we welcome the state into our building all the time. Even though it’s required that we welcome them, we welcome them with open arms. Anytime we get a warning or a violation, we definitely take this seriously. We respond, and I believe Cody and his staff can attest to this. We respond immediately, usually within 24 hours of the warning. And we typically resolve the issue within a day or two. Some of the inventory being off, a lot of times we’ve actually gone back and emailed and updated where that inventory sort of lost its place. And I think in almost all cases, we’ve figured out that we actually were on. It was just broken off in the system wrong or moved. There are a couple of cases where we were just off in our case. So it’s not 100% that way. The issue with the change request not being submitted, that was my fault. I thought, you know, change requests, if I had to move a piece of machinery or add machinery that THC or cannabis products would be involved with, that needed a change request. I didn’t know at the time that if I opened up a wall or put up a wall that, you know, I thought, ‘hey, we’re not dealing with any cannabis in that area, so it’d be okay’. Aimee and UDAF and Cody have made me very clear of the rules and we are working diligently to go through those issues. I think Aimee asked me to put up a wall or put the wall back up and I did that within an hour. And so we appreciate everybody at UDAF for working with us. We are trying our best to make sure we’re compliant all times with everything, with all cameras, with all securities and everything that we can do. So thank you for the board’s time for reviewing our license. We’re also very appreciative of our license.”

- **Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;**

Q. Drew Gubler asks if Pure Plan has put an SOP in place in relation to the violations incurred due to labeling and packaging.

A. Pure Plan states that they do have an SOP in place, however, it has been challenging with the frequent changes that have happened. Often they found themselves being made aware of new changes after they had already ordered packaging, which can take weeks to deliver depending on the supplier. They state that most of the violations due to packaging and labeling were due to that, and they have taken great care to insure that their packaging and labeling now meets all UDAF requirements.

Q. Miles Maynes asks if Pure Plan is planning on implementing the 20% expansion allowance.

Cody James States: “There’s a situation where there is an additional storage place that has taken place, and that’s one of the things I mentioned that Aimee might be able to speak to a little bit better than I can off the top of my head, but it was a location where their company is held, and their neighbor is actually one of our other licensees here, and there was some movement between those two things. We did get notified from the other one. ‘What’s happening?’ Pure Plan made some changes, and the landlord has actually gotten involved. I don’t know if we want to get too far involved because it could start to have some security concerns, so if we want to get too involved, we might need to go to a closed session because of security aspects, but there is some reasons to make sure that no one can get into certain places from either license and stuff, and that’s just what we’re trying to figure out, is make sure that no one can get in there without the other one knowing.”

Pure Plan States: “We have a very small building footprint. It’s about 3,300 square feet, and we needed some extra space for packaging storage, and again, that’s what I meant by I didn’t fully understand that going into that room would, especially if there’s no cannabis there, Aimee, UDAF, the state has made me very clear, we have re-boarded off that wall. Everything has been put back to the original way we were operating our floor plan. At this time, I’ve got a meeting scheduled with Aimee next week, and we’re going to talk about the appropriate steps to make sure that all security concerns are met, change requests are put into place, and if and when we go into that room that we have fully notified and checked all the boxes.”

Q. Miles Maynes asks if there is proper surveillance on any entrances or openings to that room.

A. Pure Plan states that all 27 security cameras within that 3,300 square feet can see the entrance to the room, and once you enter that room there are 4 security cameras from Wasatch Extraction.

Q. Miles Maynes asks UDAF if that solution fixes the problem.

A. UDAF states that it does and that the department is working through an action plan with Pure Plan.

Dr. Edward Walker States: “I’d like to expand just a little bit on what Drew asked you about with regard to labeling. Everybody can empathize with logistics, especially the past year or two, and try to get things moved around, but I think some of the issues that our inspectors and Cody have pointed out, that some of these are more direct kinds of things that might take some, rather than being reactive, be a little more proactive in the design of your label and some of those things. I would recommend that you identify people, either within your organization or external to it, who could help you recoup these labels and in the design phase, correct things like 20% allowance on your logo, make a statement like we believe cannabis is a medicine. Those go beyond just logistics. I think you need to concentrate this coming year on getting some real expertise, either training wise within your organization or somebody else who can help guide you a little bit on that, because it’s a simple way that would help you, I think, and reduce the number of these labeling issues as you go forward.”

Pure Plan States: “Thank you for those comments, and I agree with you, wholeheartedly. I do believe, though, to this day that all of our packaging and labeling is up to date and fully compliant. Those sayings and those items that you referred to have been remediated, and we now submit everything to UDAF for proper review, and we wait approval letters on our packaging before we ever order them from China. Cody, correct me if I’m wrong there, but I do believe we are now fully compliant on all of our packaging and labels.”

Cody James States: “Yeah, I could say that most of those violations were during the first half of last year, and that the department does have a label approval process. Sometimes to the disagreement of the industry, but yeah, we do have a label approval process.”

Pure Plan States: “That label approval process has helped greatly because as you said, the 20% sizing, some of those things, the overall ‘how do you put prints on the labels?’ I feel that once you submit and you get sufficient feedback on your labels and your packaging, and you get approval letters, I find that to be very useful and very helpful in the guidance to being compliant.”

Dr. Edward Walker States: “Well, thank you for that clarification. I commend you for your enhanced improvement during the last half of the past year. That’s really good news. And we all, I think, understand a little bit about the details involved in labeling. And certainly the state’s really helpful. I’m glad you do a little proactive before you just depend on Cody and his group to use that approval, so thank you.”

- **Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed**

- **Miles Maynes moves to approve the Medical Cannabis Tier 1 Processing Application Renewal for Pure Plan**
 - **Motion Seconded - Drew Gubler**
 - **All Present - YES**

Medical Cannabis Tier 1 Processing Application Renewal Approval: Riverside Farm

Cody James Introduces Riverside Farm: “Riverside is a Tier 1 Processor located in Box Elder County. They produce the following dosage forms: cartridges and pens, flower, infused edibles, infused non-edibles, and other concentrates. Their extraction method is an ethanol extraction. Riverside had 1 failed quality assurance test for microbials, and that was not remediated. Over the license year of 2023, they had a total of 16 violations. They had some Cannabis Established Licensing Advisory Board duties that they did not meet. They ended up, we found, that they were growing hemp near their processing facility, which needed approval by the board. They didn’t come to you guys to get that. They had some packaging that was not formally approved by us. They had some security requirements, where several items were missing from a visitor log. They also had some medical cannabis transportation, where the information was missing off their manifests. Some packaging and labeling things where the common name was missing. They didn’t have the approved THC warning label, or the fact panel information had some items that were not in the correct locations. Some more packaging things where they were missing some more information on the label and the fact panel had some problems there as well. A couple of departure times

were inaccurate on the manifest. Had a situation again where some manifest had the wrong destination put on there. Fact panel problems again. Had one instance where they had a physical count that was off by 88 units. It's actually an interesting story. I'm sure Matt will talk about that one, but the Inventory control system had 88 more units than they actually had and then they had some inaccurate solo tags on multiple bags of flower. Had one situation where they did not receive a formal response from us for other violations. Had a situation where visitor logs were off. Had a couple of the same situation where there was two cameras that were offline and in an inventory control portion of the distillate that could not be located in the ICS showed the product was located in a room where the ICS had it in a different room. Inventory control problems ICS showed a product being in one room and we actually observed that there's an amount of biomass that was actually in another room that actually did not have any physical tags on it, solo tags, and they had an unlabeled jar of cannabis there as well. It should be said, and Matt will have some things to say about those, but it should be said, too, that prior to the middle of the year Riverside were sharing the location with one other different licensee. There always seemed to be confusion back and forth and differences moving and it's tough to kind of work with. Sometimes I think that both the licensee that left has improved on their aspects there, but Riverside in particular in this situation, as you can see, those violations actually improved towards the year as well. So I think as the communication became more clear and things were going there, that things actually got a little bit better overall. As I say that, unfortunately, they did rise in the number of violations that they have since 2022. They had only 7 violations in 2022 and 16 in 2023. But as far as the other compliance issues for renewals, such as business licensing and bonding and the GMP requirements and the weights and measures, they've actually have what is needed in those aspects. So I'll turn it back to you guys."

Riverside Farm States: "Thank you very much board. I appreciate the time. Thank you Cody for reading through all those violations. I do- just kind of address, you know, I mean, earlier in the year we had some quality assurance improvements. Unfortunately, we had an individual who had taken on too much of a role. And so there were some lapses on inventory things and manifests. And so towards the last half of the year, we made some changes. I took more control over the quality side of everything. We did more formalized trainings with employees. Our biggest discussion, really, that it comes down to is, part of the ruling says we have daily reconciliations and making sure everything is there. So as the last person leaves the room, they have to verify that everything in there is how it should be. And I mean, just kind of quick examples in there, is if you talk about we had one jar of flower that was sitting on a tray in our trimming room. It was the only piece of material in our room. We had emptied out that space and moved it all into extraction. So there was nothing supposed to be in that room at all. And so it's just kind of little small things like that. If you're in there and you see it, as we talked to the team, we had to say, yeah, they didn't see that jar. And so we just kind of reminded, well, if you see something, you have to tell them. We don't just leave it in there. And so it's really doing a more refresher, which we typically do every year, go over the entire state law and make sure everyone understands that the importance of maintaining accurate records. And I think really it's, the Department of Ag has been helpful in making sure that not only all of our everything is in compliance, but working with them on our packaging changes. There's a lot of packaging we go through. Their team has been fantastic to make sure that everything we have is compliant in the order it needs to be. So the patients don't have any confusing questions on what material they're getting or what type of cannabinoids that they're receiving in their product."

- **Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;**

Q. Drew Gubler asks for clarification on what Riverside Farm has done in response to the uptick in violations between 2022 and 2023.

A. Riverside Farm states that with the growth of their product output they were unable to accommodate the overseeing of requirements with the single individual who had been appointed to do so. That due to the amount of work things were not being double checked. The problem was recognized and the workload was distributed between several individuals.

Q. Drew Gubler asks if Riverside Farm will be able to sustain their trend of less violations with the staff they now have in place.

A. Riverside Farm states that they do believe they will be able to keep the trend.

- Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed

- Miles Maynes moves to approve the Medical Cannabis Tier 1 Processing Application Renewal for Riverside Farm
 - Motion Seconded - Drew Gubler
 - All Present - YES

Medical Cannabis Tier 1 Processing Application Renewal Approval: Standard Wellness

Cody James Introduces Standard Wellness: “Standard Wellness is also a Tier 1 Processor located in Box Elder County. They are approved to produce the following medical dosage forms: cartridges and pens, flower, infused edibles, infused non-edibles and other concentrates. They produce these products by extracting with ethanol, solventless extraction, and hydrocarbon methods. This past year Standard Wellness had 4 failed quality assurance samples for microbials and 1 failure for cannabinoid purity. Overall, during the 2023 license year, Standard Wellness had 17 violations. The violations include some expired weights and measures or a scale that had expired weights. Sorry, they had an expired sticker from regulatory services on their scales. They had some cannabis labeling concerns where they did not have the required overconsumption warning on the gelatinous cubes. They had some facility agent problems where they found an employee not following the visitor policy. They had not completed the application to become an agent and therefore shouldn't have been working as an employee even under the visitor policy. They had some more labeling and packaging violations where their fact panel had some problems. And they had the labeling that had not been submitted to the department for approval, which is required at the time. They had some inventory control issues where the quantity did not match what was in the inventory control system. They were off by about a half dozen. The six missing items were found to be sent off for testing, but they actually had not been reconciled as required by the end of the day. Another inventory control violation where they did not have the required solo tags on a container of product. More inventory control problems where the weight listed in the inventory control system was off quite a bit when we're talking about grams. Container weights had not been reconciled in the ICS, and then they had some missing information on the visitor log, which was a security concern. More security concerns at a later date had visitor log information missing and then an inventory control problem where they found a physical count was off and so their inventory control system was incorrect. More inventory control concerns, product was listed in the inventory control system but they could not find that product in the facility and then also had a weight of a product that measured in and was off by about 916 grams. Security requirements and inventory control violations, again visitor log missing info for three days straight and then we found two products where the inventory was off and three products were not where they were supposed to be according to ICS, the inventory control system. Had a situation where we sent a response because they did not send us the formal response after violations were told to them. Then again some security requirements. where it was, we requested to review some camera footage and the cameras we found did not record, or did not hold that record for 45 days. Also found in that situation that a rack was blocking the camera view, producing a blind spot for employees in the room. Some more agent situations where an employee did not have a processor agent card. And then finally, a labeling and packaging violation where the fact panel did not have the right information on that. Overall, as I mentioned, there was a number of violations, 17, during the 2023 licensing year. That's up quite a bit from 2022 where they had 6 violations. Other than the violations that are listed there and the concerns that goes with those Standard is in compliance with the other aspects such as business licenses and bond, GMP, and now do have all of their weights and scales certified by the regulatory services.”

Standard Wellness States: “My name is April Reed. I'm the Director of Compliance for Standard Wellness. So just a recap for a couple of violations. So for the one where we weren't keeping the proper video storage, it was our company that we were working with. They were actually keeping six weeks. And then right away when we figured out that it wasn't the full 45 days, we changed that to seven weeks. And then the blind spot, I think that was fixed

before the inspectors left. So they moved the rack and then the blind spot was removed from the camera. When it came to the agent that did not have the process, it was actually (unintelligible), and she had two cultivation licenses, but she did complete the application process for cultivation and processing. She just received two cultivation licenses, but now she has one cultivation, one processing. When it comes to the inventory, you know, definitely from the last meeting, it was an eye-opener for us. So the same process is that we implemented for cultivation was implemented for processing as well. So we're going to be doing the bi-weekly counts for that. We're also going to be sending the state, you know, that monthly inventory audit report just to, you know, for you guys to see where we're at. When it comes to packaging and labeling, I am now more involved with packaging and labeling. I'm overseeing that, so I'm working very closely with Paula to make sure that all our packaging and labeling is approved by the state. I believe one of the violations that we got, it was like very close, I think it was like January 4th, very close to like when the rules changed, it was just something that I guess, you know, just was missed. But we have an auditing process in place where we have individuals on site, you know, they're looking at the labels to make sure, you know, they're done properly. When it comes to the visitor log we have updated the visitor log, make sure all the fields are on there, so for example, I think there was one where the last name was missing, we have first name but not last name so that visitor log we updated the sheet in its entirety so now the visitor is required to put their first name and last name."

- **Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;**
- **Miles Maynes moves to enter into a Closed Session**
 - **Motion Seconded - Drew Gubler**
 - **All Present - YES**

Miles Maynes States: "April, thank you for explaining the details and the lengths that you intend to go to with the strategy in place to basically overhaul your entire compliance system. It gives me more confidence in what Standard Wellness is doing with their license. Thank you."

- **Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Tier 1 Processing Application Renewal for Standard Wellness**
 - **Motion Seconded - Dr. Edward Walker**
 - **All Present - YES**

Medical Cannabis Change Request Approval: Wholesome Ag

Cody James Introduces Wholesome Ag: "Wholesome Ag has brought to the board a change request. Wholesome Ag is requesting to add an outdoor grow operations at a second cultivation facility. So overall the change request is to actually add a second cultivation facility which is allowed by law under one license. They're hoping to have this location in Tooele County. They can explain, probably better than I can, but they're planning on this second location being completed in two separate phases. First, the outdoor field construction which would be expected to be completed in the spring of 2024. And then the other buildings where cannabis will be dried, cured, and stored is expected to be completed in September 2024. We as the department has been in contact with Tooele County to ensure compliance throughout the process. If the board does approve this, then UDAF will send them that notice to go ahead and move forward with that, but they will also need a final approval through our UDAF inspections to make sure that everything is in compliance before we allow them to start producing at that location."

Wholesome Ag States: "JD Moritzen, Competitive Legal Compliance and Government Affairs for Wholesome Co. Just a big thank you to the court. Appreciate Cody for detailing the change request. This is really, we were at one

time operating in the same facility as Riverside. We had an outdoor field there in some greenhouses. This is essentially a replacement facility for that. We will start with the outdoor field, as you'll hear from our second change request of 2.4 acres. We have been working with the county closely. They have been moving some dirt out there, but we are at the place where the site plan, I think, it's just about to get final approval, so all the permits and everything will be able to be pulled after that. We will do our conditional use permit when, you know, once the time, you know, comes, you know, for that. We'll make sure the accounting business license, but we're excited to have, you know, a new opportunity. We also have, essentially, (unintelligible). And then I believe our head grower, Ryan, may have come if you have some questions.”

- Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;

Q. Miles Maynes asks what their current relationship is with the petting zoo their new cultivation site is located next to.

A. Wholesome Co. states that they met the owner of the petting zoo at their Subdivision Meeting and that her main concern had been homes being built on the property due to the fact that her petting zoo produces a lot of odor. Wholesome Co. assured her that odor would not be an issue on their end, and informed her that they also had the same concern for their cultivation. They state that they do not foresee any issues going forward.

Q. Miles Maynes asks if this location will also have the same issues that Wholesome Co. has with Centerville at their other location.

A. Wholesome Co. states that they were able to get their business license renewed with Centerville and the odor complaint resolved. They have also submitted an application to amend the Centerville ordinance.

Q. Dr. Edward Walker asks if their new cultivation site will have a fence around it.

A. Wholesome Co. states that they will once their site plan is approved, as well as all of the other UDAF and Tooele County required security measures.

Q. Drew Gubler asks if Wholesome Co. sees any issues with getting their conditional use permit.

A. Wholesome Co. states that they do not.

- Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed
- Drew Gubler moves to approve the Medical Cannabis Change Request for Wholesome Ag
 - Motion Seconded - Miles Maynes
 - All Present - YES

Medical Cannabis Change Request Approval: Wholesome Ag

Cody James Introduces Wholesome Ag: “Yeah, this change request is contingent upon the first request. With the approval of that second location, Wholesome Ag is requesting, that at that second cultivation location, that they're asking the board to allow them 20% increase of the limits that are spelled out in statute. So the statute says that if you're going to do an indoor and an outdoor facility that you can go up to 50,000 square feet indoor and up to 2 acres outdoor, but then it goes on to say that you can actually do a 20% increase that, if approved by the board, it'll actually allow that 20% to stay there for the entirety of the license if they wish. So that's what this request is, is that once they get growing at the second location, that they will actually be able to go up to 2.4 acres, meeting that 20% increase based on statute to be able to grow at.”

Deputy Commissioner Kelly Pehrson States: “So they don't have to come back each year and ask for the 20%?”

Cody James States: “Correct. The 20% is permanent there. It's kind of up to them as a license to do that. Another aspect, there's a 40% increase that can happen one time during the entirety of their license that does have to go to the board again if they wish to do that. But the 20%, if approved by this board today, would be allowed to do that for the time they have a license.”

Deputy Commissioner Kelly Pehrson States: “Do they also have to get a new operating plan of what they'll be producing with that 20%?”

Cody James States: “Yeah. And we've seen that, not the total operating plan, there's things they've separated. They've sent us all the information that we need to begin the process. As they get going, just like with anything else, there'll be updates to that. Maybe JD can speak to the amount that they're planning on producing.”

Wholesome Ag States: “The number that we submitted to y'all is the estimate for the year. When we did our operating plan for you all in November, that you guys heard in December, that was based on what we were going to produce with just the indoor cause that's all that we were approved for. Now, as part of this process, we've also lumped in what we estimate to produce from the outdoor. The way we measure our estimations is what we call 'usable biomass'. So we don't include stick, you know stem, leaf. That kind of stuff. It's really just what is usable biomass. So the pounds you're seeing are a true representation of usable biomass that we've estimated.”

- **Deputy Commissioner Kelly Pehrson opens the Medical Cannabis Production Establishment Board Questions;**

Q. Chief Jason Williams asks for clarification on whether this 20% extends to Wholesome Ag's other sites or if it is only applied to the singular.

A. Cody James states that the 20% is only applied to the site in question.

- **Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed**
- **Miles Maynes moves to approve the Medical Cannabis Change Request for Wholesome Ag**
 - **Motion Seconded - Drew Gubler**
 - **All Present - YES**
- **Miles Maynes moves to approve the 12-13-2023 Medical Cannabis Production Establishment Board Meeting Minutes**
 - **Motion Seconded - Drew Gurbler**
 - **All Present - YES**
- **Drew Gubler moves to adjourn the Medical Cannabis Production Establishment Board Meeting**
 - **All Present - YES**