

4-17-2024 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, Chief Jason Williams, Drew Gubler, Miles Maynes, Josh Daniels

- Josh Daniels moves to approve the 2-7-2024 Medical Cannabis Production Establishment Board Meeting Minutes
 - Motion Seconded - Miles Maynes
 - All Present - YES

Deputy Commissioner Kelly Pehrson Reads Public Comment Guidelines: "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 Establishment Licensing Board Dates

- June 12th | Documentation Deadline: May 15th
- August 14th | Documentation Deadline: July 17th
- October 9th | Documentation Deadline: September 11th
- December 4th | Documentation Deadline: November 6th

Medical Cannabis Tier 1 Processing Application Renewal Approval: Boojum

Cody James Introduces Boojum: "For the renewal of Boojum, which is a Tier 1 Processor, they're located in Wasatch County. They are approved to create: vape cartridges, infused non-edible products, other types of concentrates, as well as infused edibles. Currently they use an ethanol and solventless extraction methods. They currently hold a Hemp Processing License in addition to their Medical Cannabis License. They do not complete any CBD to THC conversions. So far Boojum is in compliance with the local ordinances according to statute and has been inspected by weights and measures and has a bond in place. To go through some of their violations, as of today, in 2024, we have no closed cases with them to report. In 2023, they had 5 warnings total. In 2022, they had 2 citations and 7 warnings for a total of 9 violations. And in 2021, they had 1 citation with 1 violation. We could see that the Boojum had a 900% increase from 2021 to 2022, but a 44% reduction from 2022 as we looked at 2023. So doing a really good job and, as I mentioned, up to date we have not closed any cases or violations with the Boojum so far. To go through a couple of these 2023 warnings and violations, they had a warning for missing some Materials Safety Data Sheets. They had a warning for some labeling and packaging of cannabis and cannabis products. Their items were listed incorrectly on their fact panel. They had a transportation violation which is an incorrect shipped date on a Transportation Manifest. Then they had a change in Operation Plans violation where they moved some equipment without prior approval from the board or department."

Boojum States: "This is Dashiell Kulander, the CEO of Boojum and founder, along with Britni King, our COO, and our Chief Compliance Officer Olivia. We don't have any questions right now, but are happy to field any, if anybody has any."

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

Q. Miles Maynes asks Boojum to speak to the efforts they have made that are reflected in their compliance record.

A. Boojum states their continued effort to improve operations, their Quality Control checks, and their processes in place have played a big part in their compliance record. Boojum also states that the amount of trainings they hold also contributes to their compliance. They retain a small team of employees that they feel have a firm understanding of the requirements for compliance.

- 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 Boojum
 - Motion Seconded - Josh Daniels
 - All Present - YES

Medical Cannabis Tier 1 Processing Application Renewal Approval: Wasatch Extractions

Cody James Introduces Wasatch Extractions: “Wasatch Extractions is a Tier 1 Processor located in Salt Lake County. They're approved for the following extraction methods: ethanol, co2, as well as solventless extraction. They are approved to produce: vape cartridges, infused non-edibles, concentrates, and infused edibles. Wasatch Extractions currently holds a Hemp Processing License, but does not complete any CBD to THC conversions either. They're in compliance with local ordinances, as well as weights and measures, and regulatory requirements, and does have a bond in place. Speaking to their violations, so far in 2024, we again don't have any closed cases for them. So, at this point, we have nothing to report as far as violations go for 2024. In 2023, they had 1 citation, 8 warnings, and 1 other letter of concern with a total of 13 violations. In 2022, they had 4 citations and 5 warnings, then again they also had 13 violations in 2022. And then in 2021, they had 7 citations, 4 warnings, and a total of 14 violations. So just to look at the history, in 2022 they had a 7% reduction in violations from 2021. In 2023, the accident didn't have a change. They had 13 violations in both 2022 and 2023, but again, as I mentioned earlier, in 2024 so far, they have been in compliance, we have not had any cases closed on Wasatch Extractions. To go through the violations, 2023 violations anyway, they had security requirements for some visitor log information. It was their third violation for that in that year and got fined for that. They had a letter of concern for a failure to maintain some cleanliness standards. In 2023, they also had a couple of warnings obviously that they had a missing Material Safety Data Sheet. They had some security requirements, where there was an order that was not seen on camera placed in the delivery van, so the cameras were not catching what it needed to do for Transportation of Product, and they also had some missing information on their visitor log. They had Inventory Control Process, they had missing tags, and there was products that were not located in the building that we're on the ICS, or the Inventory Control System. They had a storage and handling requirement where product was stored on a floor of a freezer, not being four inches off the ground. And then they had some labeling and packaging requirement information, where they had the THC warning was a problem. And they had a transportation violation, where a Transportation Manifest was missing information, missing the state license number, wrong departure time, things of that nature. They had 3 of those actually, so all those were a different one. Lastly in 2023, they had a violation for, they actually failed to respond to the department's warning letter on how they were going to fix one of the cases that we have had found. That's what their violations look like in 2023 since they renewed. This year, as far as testing goes, Wasatch Extractions has had the following failed Lab Quality Assurance Samples: they had one product fail for pesticides and that was destroyed. They had one project that had solvents that were remediated and passed testing after it was remedied. They had 9 Foreign Matter Material failures, that was for the recent findings of THC-O acetate which was actually found throughout the industry and so far has been worked on. They have actually just asked and received approval for remediation on those and we'll be working on that remediation in the near future for those and will have to get retested. As I mentioned, the due date for that remediation has already come and gone. They had passed, we gave them that approval yesterday. Overall compliance has been better with them and there was the testing issues but they're working through that at this point.”

Wasatch Extractions States: “Darren Johnson. Unless there's any questions that we can answer, then I think we're okay.”

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

Q. Deputy Commissioner Kelly Pehrson asks if all the citations have been paid.

A. Cody James states that they have.

Q. Miles Maynes asks for clarification on one of the references used on a violation.

A. Greg Varanese states that the reference is for internal use and should have been updated to 'Inventory Control System'.

Q. Miles Maynes asks for further information on what they have done to improve their visitor log capture.

A. Wasatch Extractions states that they now have a policy in place where a member of staff is escorting visitors out and ensuring that they are signing out on the log. They have also placed a sign on the inside of the door with a reminder to update the visitor log. They have also moved the visitor log to a table beside the door with another reminder sign.

- 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 Wasatch Extractions
 - Motion Seconded - Drew Gubler
 - All Present - YES

Medical Cannabis Change Request Approval: Pure UT

Cody James Introduces Pure UT: "The department has received a change request from Pure UT requesting to change their current location of their Tier 1 Processing facility. Currently they share a location with a Hemp Cannabinoid Processor. Their proposed move is actually staying in Utah County, just moving to a different city there. Pure UT has submitted an entire operating plan at the department's request for us to be able to take a look at that and see how it meets the regulations; which at this point it looks like it does. If this is approved by the board, then the Department will work with Pure UT and not sign off on their final change in location until we confirm that the location is definitely in compliance with all the local ordinances. For example, if it meets the security requirements outlined in our statutes and rules, is far enough away from any community location as defined in statute, and then, obviously, has that local business license and other things needed throughout the regulatory requirements. I think the department itself is maybe more than okay with the move, based on a few findings of the work relationship with the Hemp Processor over the past year, and believe that this could possibly be a very good thing for Pure UT moving forward."

Pure UT States: "Paul Henderson from Pure UT Processing. Simply moving, when the license was established, it was really a short-term situation. They signed a two-year sublease with Blanc Labs and so we're simply, there's just been some issues with us being in the same building as you can imagine. When I took over the business a year ago, just saw the opportunity to move into our own space and be able to operate independent. So the sub-lease is up in June, and so that's what we're working to get out."

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

Q. Miles Maynes asks what city Pure UT is looking to move to.

A. Cody James states that he cannot say as it is protected information, but the information should be included in the report supplied by Pure UT.

Q. Deputy Commissioner Kelly Pehrson verifies that they are staying within the same county.
 A. Cody James confirms that they are.

Q. Deputy Commissioner Kelly Pehrson asks if there will be issues with other tenants at the location they're moving to.

A. Pure UT states that the building is in a remote location and that the landlord owns the other business in the location.

Q. Deputy Commissioner Kelly Pehrson asks if there are any issues with city ordinances.

A. Pure UT states that the city has looked over their plans and have given no indication of there being issues.

A. Cody James also states that the city has reached out to review the plan with the department and has also not given any indication of there being issues.

- 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 Pure UT
 - Motion Seconded - Josh Daniels
 - All Present - YES

Medical Cannabis Change Request Approval: Wholesome Goods

Cody James Introduces Wholesome Goods: “Wholesome Goods is requesting an approval to produce some mints and tablets. This requires a new formulation method and some additional equipment. So Wholesome Goods has provided the department with their Standard Operating Procedures for this and their updated facility blueprints reflecting where the new equipment is going to be. If the board approves this, they will need to receive an approval for their Good Manufacturing Practices through our Regulatory Services Division here at the Department of Ag and then and we'll be also doing a finalized inspection. Again, if the board approves this, we will do a finalized inspection to make sure they're still meeting all the other requirements; security cameras, all that type of information.”

Wholesome Goods States: “JD Lauritzen, Head of Legal Compliance and Government Affairs for Wholesome Do. You know, we're just adding another product to producing, we already produced for the general form factor and now we are finally moving ahead with the press. So, yeah, I'm happy to answer any questions, but also with this being, you know, the biggest week in the industry, and I also want to make sure to express gratitude. You know I've been trying to do that during each meeting I have been in this week, so I want to express my gratitude for all of you at UDAF, all the hard work you do, all with the board members, folks in the room, anyone online. This week to me is about the plant and any of those that have a connection to it, so all you do as well. So I just want to thank everyone.”

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

Q. Deputy Commissioner Kelly Pehrson asks for clarification on whether it would be considered a business change.

A. Cody James states that it would be due to the changes in formulations requiring board approval.

Q. Miles Maynes asks Wholesome Co. to specify what they will have to do to introduce a new product into the market.

A. Wholesome Co. states that their Product Development Team will find niches in the industry to fill and develop ideas for the product itself. Their compliance department will review the plan to ensure that it falls under all the rules and statutes. Required equipment will be identified after that and SOPs will be developed around said equipment. Once that is completed they can submit the Change Request. They state that if the board approves the change and they receive their GMP approval they will then begin training on the new SOP and production starts.

Q. Drew Gubler asks for clarification on whether the tablets are ingestible or if they're meant to be consumed like mints.

A. Wholesome Co. states that they will be like mints, however, the equipment to make said mints is the same needed to make press tablets so they will have that ability as well.

Q. Drew Gubler asks for clarification on whether the regulating jurisdictions would change if Wholesome Co. made ingestible tablets.

A. Cody James states that it wouldn't due to the product still being Medical Cannabis. Their MGP and Food Establishment Permit fulfills the FDA portion of the requirements.

A. Wholesome Co. states that the reason for the federal involvement with this product is due to the press itself. Since it is medical equipment it needs to be registered with the DEA.

A. Cody James adds that all of the equipment Medical Cannabis Processors use fall under some type of federal regulation during the manufacturing process.

- Deputy Commissioner Kelly Pehrson opens the Public Comments; no Public Comments were submitted and Public Comments were closed
- Josh Daniels moves to approve the Medical Cannabis Change Request for Wholesome Goods
 - Motion Seconded - Chief Jason Williams
 - All Present - YES
- Miles Maynes moves to adjourn the Medical Cannabis Production Establishment Board Meeting
 - All Present - YES