

12.14.2020 Medical Cannabis Production Establishment Board Minutes

Call Meeting to Order - Utah Department of Agriculture and Food

Logan Wilde welcomes everyone to the meeting and reads his Determination Letter (12.14.2020): “I, Logan Wilde, Chairman of the Cannabis Production Establishment Licensing Board, has determined that the December 14th, 2020 meeting of the Cannabis Production Licensing Board will be held electronically without an anchor location. This determination is based on the following facts: (1) Utah is currently dealing with Covid-19 which has been determined to be a pandemic. Covid-19 is extremely contagious and can be deadly to those who contract it, especially those of advanced age and underlined health conditions. (2) The department of Agriculture and Food offices are located in Salt Lake County, which is currently in a high-level of transmission. (3) The vast majority of agency staff and members of the board are teleworking to avoid unnecessary contact with others. (4) The boardroom is insufficient to allow social distancing and reasonably safe accommodations of the board or the public. (5) The board uses an electronic platform which allows interested parties to view the meeting, hear discussions, and provide written comments.”

Robert Hougaard moves to approve the minutes for August 25th, 2020

- **Kelly Pehrson seconds the motion**
- **Kelly Pehrson - YES**
- **Travis Waller - YES**
- **Robert Hougaard - YES**
- **Brandon Forsyth - YES**
- **Logan Wilde - YES**

Robert Hougaard moves to approve the minutes for November 9th, 2020

-Cody James' name to be removed from the list of board members

-Cody James' name to be removed from the roll call vote for Standard Wellness

-Upon review of the November 9th, 2020 Board Meeting it was confirmed that Cody James was asked to vote on the motion

- **Travis Waller seconds the motion**
- **Kelly Pehrson - YES**
- **Travis Waller - YES**
- **Robert Hougaard - YES**
- **Brandon Forsyth - YES**
- **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: Dragonfly Greenhouse

Cody James introduces Dragonfly Greenhouse: “What I’m going to be doing is give you a summary as to what has gone on with each licensee today, to give the Board some information so they can make a decision as to whether renew licenses or not. I would like to put out there some information that the numbers that I will be giving out to you may not necessarily correct. If the facility has recently harvested or still has a lot drying, it would not be reported in MJ Freeway as of this time. So we are aware of a few facilities that recently harvested so their numbers may be a little lower than they actually are, or what we’re going to see at the end of the year on January 1st. So moving on with Dragonfly our first licensee. In 2020 they have harvested 5,300 pounds of cured biomass. They also brought in approximately 2,500 pounds of hemp byproduct for a total of about 8,066 pounds. They did have some compliance issues, originally early on they did not get their scales registered, they also had some visitor log discrepancies, as well as an inventory control system daily reconciliation concern, and then also had some agent

cards that were not sent back to the department as quickly as they should have been. I would like to go on to say that they worked with us very well on this. They were open to us talking and looking at things, and all of these situations were very easily remedied. We were able to find what the reasons were and they were mistakes that happen but nothing that was major in any way. Reading their application for 2021, their production could increase from as little as 5% all the way up to 69% from the 2020 biomass that they produced so far. This is all based on their Phase 2 and when that comes complete. Earlier this year they asked to extend their Phase 2 into a couple of different sections, so Dragonfly's Phase 2 will be completed, as I mentioned, in two steps. Part 1 being in the spring of 2021 when that will be done, and Part 2 in the fall of 2021. Again, based on the need for supply and demand they could possibly increase up to 69% of what they will produce in 2021. I'd like to report that Dragonfly did meet, actually exceed, their requirements from the original RFT and any production that they laid out at that time, and for the reasons that I mentioned above, that the Department of Agriculture and Medical Cannabis Program does recommend renewal of Dragonfly's Medical Cannabis Cultivation License. If the board decides to do so we will verify that they continue to meet our licensing criteria prior to sending them the 2021 license."

Narith Panh presents Dragonfly's proposal: "We will be completing Phase 2 Part 1 of our original plan submitted on August 7th, and that will be an additional hallway that adjoins Building A to Building B. In that hallway, we will also have two additional grow rooms that will be operational. That will increase our capacity to an average of 560 pounds of usable biomass per room. In addition to our outdoor greenhouse facility, we submitted on October 34rd an updated layout plan which details (*unintelligible due to interruption*) and that will take us about 3 months to complete. And that outdoor greenhouse will allow us to produce at a cheaper cost and allow us to take most of that useable biomass into distillate. So that way we can preserve our indoor grow room for highly controlled, high-quality, medical cannabis that will go mainly to flower. So that will obviously increase our capacity, and at that stage, we will be able to produce 500 to 600 pounds of usable biomass per month in 2021. And that's a 50% production capacity of our \$100,000 license. So those were the details that Dragonfly wanted to present to the board and we are prepared to answer any questions you have."

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions; there were no questions and Board Questions were closed.**
- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**
- **Travis Waller moves to approve Medical Marijuana Cultivation Change Renewal Approval: Dragonfly Greenhouse**
 - **Robert Hougaard seconds the motion**
 - **Kelly Pehrson - YES**
 - **Travis Waller - YES**
 - **Robert Hougaard - YES**
 - **Brandon Forsyth - YES**
 - **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: Harvest of Utah LLC

Cody James introduces Dragonfly Greenhouse: "Just a reminder, these amounts that I am going to state may not necessarily be correct come the end of the year. There could be, at this facility, may have recently done a harvest or is about to do a harvest that will up these biomass numbers. Harvest of Utah to date has produced 195 pounds of cured biomass. First, they went through a change prior to the board being in existence, decreasing production and grow area. Then more recently, a couple of months ago, they went back to the board to increase their production into the future. Compliance issues, much like the others, visitor logs, maintenance issues, employee agent cards not necessarily getting back to us in some cases, and then the disposal plan would not necessarily be up to our standards."

They worked with us to make sure that they changed their disposal plan to meet the standards that the department requested. Again, they worked well with us in that manner. Harvest of Utah planned 2021 production in their application is stated to increase 162% from what has been produced in 2020. Harvest of Utah plans are to build out a larger location, the plans are to be finished in 2022. This will allow the production to increase by 8 times what their 2021 production is stated to be. Based on those situations I would like to add one thing to my summary about Harvest of Utah. Although they are meeting their obligations for production based on their agreements and change of operation plans for 2021, we would like to see them move as quickly as they can to help meet the projected supply needs that the state is seeing there. With that being said we, as a program, do recommend the renewal of Harvest of Utah's Medical License. We will, again, make sure that they meet all requirements to get that license before we hand that over to them for the 2021 calendar year."

Britney Hunter presents Harvest of Utah proposal: "I will pass that message along, as far as your recommendation that Phase 2 plan moves along a little bit quicker. I think I understood that right, just that you are recommending that we get our license renewed but would like to see the process of our expansion move a bit quicker. So I will pass that along to the rest of the Harvest team. I think that's all I have. I know I looked through the application and I did notice that one of our employees was missing from the list, someone we have hired recently, but everything else should be accurate. As far as pesticides that we use and things like that are included in the application, any changes that I make after that I have always reported to the state Pesticide Program coordinator. That list is accurate to what I have been using right now. If there are no other questions that's all I had to add."

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions; there were no questions and Board Questions were closed.**
- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**
- **Robert Hougaard moves to approve Medical Marijuana Cultivation Change Renewal Approval: Harvest of Utah**
 - **Travis Waller seconds the motion**
 - **Kelly Pehrson - YES**
 - **Travis Waller - YES**
 - **Robert Hougaard - YES**
 - **Brandon Forsyth - YES**
 - **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: Medical Cannabis LLC

Cody James introduces Medical Cannabis LLC: "For Medical Cannabis, again just a reminder to the public and to the board, that these numbers that I'm going to be giving can change over the next couple of weeks. Harvest so far to date for Medical Cannabis LLC in 2020 they have produced 1,859 pounds cured biomass. Their compliance issues again were registered scales, some security issues, and the visitor logbook. All of that was taken into account and we've discussed all these issues with Medical Cannabis. The registered scales were an easy fix, security issues were fixed, and again the visitor logbook was an easy situation based on the buildout that was happening at the time. They were very easy to work with, they were very willing to work with us in all ways in that manner. Plant production for 2021 actually increases their current biomass produced in 2020 by 180%. Medical Cannabis LLC received approval from the board to increase their grow area by 20% for 2021 earlier this past year. By March their indoor portion of that will reach quite a large area equaling almost half of their grow that they're allowed to do when it comes to the entire 100,000 square feet of indoor. Their plan also allows for outdoor grow up to, with the 20%, 2.4 acres, and they reserve that right to do that based on the board's recommendation and are happy to use all of that to

produce based on industry needs. Medical Cannabis LLC has not only met the criteria they laid out in their RFP but has exceeded that, as well as been a good player in the industry so far this year. For those reasons, the program recommends the renewal of Medical Cannabis LLC license for 2021. Again we will verify that they meet all those license criteria.”

Tyler Lang presents Medical Cannabis LLC proposal: “The only thing that I can add to that is we’re on track to finish our 30,00 square foot buildout by the end of this month or middle of next month at the latest, as we should start production the same day.”

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions; there were no questions and Board Questions were closed.**
- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**
- **Kelly Pehrson moves to approve Medical Marijuana Cultivation Change Renewal Approval: Medical Cannabis LLC**
 - **Robert Hougaard seconds the motion**
 - **Kelly Pehrson - YES**
 - **Travis Waller - YES**
 - **Robert Hougaard - YES**
 - **Brandon Forsyth - YES**
 - **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: Standard Wellness of Utah

Cody James introduces Standard Wellness of Utah: “Again, just a reminder that these numbers that I am about to present could change in the coming weeks. Standard Wellness, to date in 2020, has produced 193.4 pounds of cured biomass. They did have a recent change request to begin increasing their ability to grow in a larger capacity on a temporary basis. Standard Wellness, as well as many of the others, started the program without some registered scales, an easy fix for them to be able to get those scales registered and move forward with that. That was the only compliance issue that we ran into this year. In 2021 production amounts are projected to increase by 200% from the current 2020 numbers that I just presented. Their plans are to build out a permanent location to be finished at the end of 2021, allowing for at least 12 times their current grow area. Keeping all this in mind, Standard Wellness of Utah is currently meeting the obligations of production laid out to us and approved, especially since their change in operation was approved, however, the board would like them to move quicker to produce more in order to help the projected supply needs that the state is seeing. With that being said, taking everything into account, we do recommend the renewal of Standard Wellness of Utah for 2021. We will verify that they meet all the criteria prior.”

Scott Ericson presents Standard Wellness of Utah proposal: “I don’t have much to add, but we are moving as quickly as we can to add both a short-term facility while we’re going through construction for increasing capacity, as well as finishing a state of the art facility towards the end of 2021. So we will move as fast as we possibly can on that and look forward to continuing to provide high-quality cannabis products to patients in the state.”

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions;**
 - Q. Kelly Pehrson asks if they have begun construction given that the original plans were changed to the current ones.**
 - A. Scott Ericson states that they have not started yet but they plan to once the ground thaws in late spring.**
 - Q. Kelly Pehrson asks if they have all the correct building permits for the process.**

A. Scott Ericson states that they have been working with the city and that they should have the permits shortly.

- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**
- **Travis Waller moves to approve Medical Marijuana Cultivation Change Renewal Approval: Standard Wellness of Utah LLC**
 - **Robert Hougaard seconds the motion**
 - **Kelly Pehrson - YES**
 - **Travis Waller - YES**
 - **Robert Hougaard - YES**
 - **Brandon Forsyth - YES**
 - **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: True North of Utah

Cody James introduces True North of Utah: “Again, numbers that I am presenting can change in the coming weeks. True North of Utah to date has harvested 1,528 pounds of cured biomass according to our track and trace program. A couple of compliance issues at their temporary location were a couple of security concerns, visitor logbook concerns, some reconciliation of the inventory in the ICS, and again some discarded agent cards that should have come back to the Department of Agriculture. In working with the company it was easy to see what had happened, they were easy fixes. Security requirements were changed at the temporary facility and now are good at the more permanent facility that they have as well. They were good to work with in all those aspects. Reading their application for 2021, their plans are to increase production by 432% from what has been currently produced in cured biomass in 2020. I mentioned the permanent location, True North has moved to their permanent location just in the last couple of months and is currently still growing as they kind of ramp down at their temporary location at this time. I am happy to report that True North has met and actually exceeded what they said they were going to be able to produce in 2020, and for all those reasons the program recommends the renewal of Truth North of Utah Cannabis Cultivator License for 2021.”

Cody Phillips presents True North of Utah proposal: “A little update from us, as we are in production here at our location in Brigham City, we will be phasing out our Plymouth location by the end of February and our building is nearly complete for the first state of the art greenhouse in Brigham City. The first harvest coming out of this greenhouse by the end of December.”

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions; there were no questions and Board Questions were closed.**
- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**
- **Brandon Forsyth moves to approve Medical Marijuana Cultivation Change Renewal Approval: True North of Utah**
 - **Robert Hougaard seconds the motion**
 - **Kelly Pehrson - YES**
 - **Travis Waller - YES**
 - **Robert Hougaard - YES**
 - **Brandon Forsyth - YES**
 - **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: Tryke Companies LLC

Cody James introduces Tryke Companies LLC: “Again, numbers that I am presenting can change in the coming week. Tryke has produced 1,777 pounds of cured biomass according to our track and trace system so far in 2020. There were a few compliance concerns, there was a small inventory discrepancy with plants moving from one room to others, we need to track that and get that taken care of with our inspectors on-site at that time. Then there was some confusion with the agent cards, they were very easy to work with and to see what had happened, obviously with the entirety of the industry there has been some turn over in some form or another, so agent cards kind of got mixed in the middle. That was very easy to get that taken care of and to see what had happened. For 2021 their plans are to increase production by about 360% over what they have currently produced in 2020. Tryke is currently doubling their grow area at this time, I believe they have about a third of that second half already in production, if not maybe two thirds. The entire expansion should be done around January, enabling them to increase their production by that amount based on everything that we’ve seen and looked at at Tryke. Again, Tryke is another one of our licensees that has not only met but exceeded what they had laid out in their plans. They have been very good to work with in all aspects and keeping in touch with us on any concerns they may have. So for those reasons above our program does recommend the renewal of Tryke Companies Medical Cannabis Cultivation License for 2021. Again we will continue to verify that they meet all of the licensing criteria before handing the license over to them at the beginning of the year.”

Randall Gleave presents Tryke Companies LLC proposal: “We have completed building out our complete Phase 1, which will allow us to have a 300% increase of our grow. We already have plants in all those rooms as of to date, and those harvests will start coming down pretty much a harvest a week starting December 29th. Other than that thank you, it’s a wonderful program and we’re grateful to be here in Utah.”

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions; there were no questions and Board Questions were closed.**

- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**

- **Robert Hougaard moves to approve Medical Marijuana Cultivation Change Renewal Approval: Tryke Companies LLC**
 - **Brandon Forsyth seconds the motion**
 - **Kelly Pehrson - YES**
 - **Travis Waller - YES**
 - **Robert Hougaard - YES**
 - **Brandon Forsyth - YES**
 - **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: Wholesome Ag

Cody James introduces Wholesome Ag: “Again, numbers that I am presenting can change in the coming week, and this is a company that we know for a fact will be increasing that number in the coming weeks prior to December 31st. Wholesome Ag to date in 2020 according to our track and trace system has produces 82 pounds of cured biomass. They did have some change requests earlier in the year to lower their grow area as well as their amounts but then have come back recently to increase those as well in the same year, which was approved by the board. There were just a couple of compliance concerns, unfortunately, this company had to move around a little bit and there were a few bumps in the road, but our compliance concerns that we saw at their facilities as we were going was a lack of lighting in one aspect and a lack of storage. They’re easily fixable and now that they’re in their facilities that they’re growing at the concerns are not a problem by any means. 2021 plans for Wholesome Ag are to

increase production by over 500% over the reported amount of 2020, which is the 82 pounds so far. That number will increase. Wholesome Ag is currently growing in two separate locations, one with a larger grow and then another one that's a bit smaller. Their application calls for a double in production starting in the April timeframe from what they believe they are currently producing starting this month, so we are happy to hear that that is in their plans. They are starting to look like and shoulder after this upcoming harvest or the next couple of weeks to start to be meeting their obligations for production that were approved by the board most recently. However, as we've mentioned a few times before, we would like them to move quicker with that and help meet the projected supply needs of the state's Medical Cannabis needs. With that being said and everything we've looked at, we do recommend Wholesome Ag continues as a Medical Cultivation Licensee of 2021 with the board's approval for renewal. Again, we'll continue to check with them that they meet all criteria for licensing as far as regulations go."

Q. Kelly Pehrson asks what the approved date for Wholesome Ag's Phase 2 is.

A. Cody James states that the date is in March.

Q. Kelly Pehrson asks if the 500% increase is Phase 2 of Phase 3.

A. Cody James states that the overall year of 2021 will see that 500% increase over the 82 pounds produced already.

Dj Schanz presents Wholesome Ag proposal: "We're excited to finally be at our long-term facility to be able to produce a significant amount of medical-grade cannabis for the patients of Utah, and looking forward to a very productive program here in the near future."

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions;**
 - Q. Robert Hougaard asks if Wholesome Ag is currently in harvest or if they need more time to process the grow.**
 - A. Dj Schanz states that they anticipate harvesting next week somewhere between 200 to 400 pounds of biomass.**

- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**

- **Kelly Pehrson moves to approve Medical Marijuana Cultivation Change Renewal Approval: Wholesome Ag**
 - **Travis Waller seconds the motion**
 - **Kelly Pehrson - YES**
 - **Travis Waller - YES**
 - **Robert Hougaard - YES**
 - **Brandon Forsyth - YES**
 - **Logan Wilde - YES**

Medical Marijuana Cultivation Change Renewal Approval: Zions Cultivars

Cody James introduces Zion Cultivators: "This is a company that we know just recently harvested and is in the process of drying, so this number I'm reporting is actually going to increase tremendously as it updates in our track and trace system. So far for Zions Cultivars in 2020 we have reported to us 60 pounds of cured biomass has been produced in 2020. Compliance issues that we've seen and I believe that at least one of these was at their older location, there were some visitor log issues, as well as a single camera that was not working as it should. All of those have been fixed. Zions Cultivars has done an outstanding job in making sure that their visitor's log is pretty high-tech, so that's not necessarily a problem any longer. For 2021 their plans are to produce about 5200% more than the reported number from 2020, again keep in mind that that 160 pounds is going to increase more but I'm basing that increase on what I have reported here. Zions Cultivars is currently growing in two locations and they received approval a month ago to add 20% more to their grow area for 2021. They will be one of the few that is above the

100,000 square feet grow to very much help the state's supply needs. They have not only met but are exceeding, once these final numbers come through this month, from what they have stated they wanted to produce for this year. This is a recommendation by the program to renew a license for 2021 for Medical Cannabis Cultivation. We will continue to make sure that they meet all licensing criteria prior to handing that license over on January 1st."

Q. Kelly Pehrson asks if that 20% increase is only good for the year or if they need to be renewing that as well.

A. Cody James states that it is only valid for one year and it does need to be renewed yearly.

Shawn Hammond presents Zions Cultivars proposal: "To add a little bit of clarity, Cody mentioned what was added in the system, I'll also give you a little more understanding of what we're currently processing. We've harvested our first greenhouse harvest and we're currently in the process of going through over 2,000 pounds of dried biomass for separation, for processing, for flower. We have our Payson indoor facility that's fully operational and we'll begin on a perpetual harvest scale starting December 23rd with harvests approximately every two weeks. That facility's designed to produce around 130 pounds of biomass once stabilized. We plan to utilize that additional 20,000 square feet to design and expand our indoor facility, which once we are granted approval for the design we will be able to shift allocation to the canopy. In the meantime, while that design process is going on, we intend to expand our greenhouse canopy to help the supply of Utah to make up for the patient demand. We're currently replanting an additional 45,000 square feet in our greenhouse; we will be back in full production in over 90,000 plus square feet by June. In addition, I should probably mention that we probably processed over 2,200 pounds of hemp to utilize hemp-derived cannabinoids for our processing and fulfillment of early on patient needs for cannabinoids."

- **Logan Wilde opens it to the Cannabis Production Establishment Board Questions; there were no questions and Board Questions were closed.**
- **Logan Wilde opens to Public Comment; no comets were posted and Public Comment was closed.**
- **Brandon Forsyth moves to approve Medical Marijuana Cultivation Change Renewal Approval: Zions Cultivars**
 - **Kelly Pehrson seconds the motion**
 - **Kelly Pehrson - YES**
 - **Brandon Forsyth - YES**
 - **Robert Hougaard - YES**
 - **Travis Waller - YES**
 - **Logan Wilde - YES**
- **Kelly Pehrson motions to adjourn**
 - **All present - YES**