



CCA Board Meeting
600 A Street, Davis, CA
October 17, 2018
MINUTES

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President Fennell called the meeting to order at 9:00 a.m.

1. Roll Call.

<u> X </u>	Estelle Fennell, Humboldt County, CCA President
<u> X </u>	Mary Zeeb, Treasurer-Tax Collector, Monterey County, CCA Secretary
<u> X </u>	Jim Erb, TT Collector/ Auditor Controller, San Luis Obispo County, CCA Treasurer
<u> X </u>	Shari Schapmire, Treasurer-Tax Collector, County of Mendocino, CCA Board Member
<u> X </u>	Supervisor Don Saylor, Yolo County, CCA Board Member

Others: Cara Martinson, Adam Crabtree, Alan Fernandes, Greg Turner, Supervisor Jim Provenza, John Bartholomew, Jim Hamilton, Sendy Young, Susan Strachan, Chad Rinde, SIPCA Representative, Industry participant.

2. Procedural Item: Approval of minutes. Approved. Motion: Jim Erb, Second: Don Saylor.

3. Organizational Update. CCA Executive Director, Cara Martinson gave an update on the operations of CCA, focusing on progress made over the previous six months and goals for the second half of FY 2018-19. The focus was centered on connecting Member counties to the platform and beginning the data collection process. An additional top priority is the goal of accessing METRC data and finalizing an MOU with the state. Board Member questions and dialogue focused on interactions with the industry, and CCA education and outreach efforts, including focus on the potential for connecting businesses with financial institutions. Discussion also included working with cities and outreach to cities within Member Counties. Finally, the discussion included dialogue about CCA's access to different data sets, including sales tax information. Supervisor Saylor also asked for CCA's strategic goals and directed staff to draft.

4. Adjustment to reflect FY 2017-18 Budget Actuals; Approve FY 2018 - 19 Budget Adjustment. Approved. Motion: Supervisor Saylor; Second: Mary Zeeb. CCA Treasurer Jim Erb detailed the CCA budget process and the interaction and relationship between CCA and the CSAC Finance (CSAC FC) Corporation. The Treasurer noted CSAC FC's financial contribution of \$200,000 in addition to direct expenses CSAC FC incurred while working to set up the organization in 2017-18, such as outside legal counsel. It was noted that CCA accounting needs to create subaccounts when bills are sent to members and participants to differentiate who is paying what. Staff noted that CSAC FC paid for the CCA website directly in FY 2018-19. This was done primarily due to timing. The website was anticipated to be paid for prior to the initial \$200,000 appropriation from CSAC FC to CCA in the end of the FY 2017-18.

The Treasurer committed to working with staff to address this and ensure accurate reflection in the budget. He suggested that CSAC FC invoice CCA for website expenditures. All CCA expenditures should be made by CCA. In addition, CSAC FC CEO Alan Fernandes detailed the CSAC FC relationship with CCA and our partnership. He noted the role of CSAC FC and their charge of helping to create and support businesses that provide assistance and services to counties. The CSAC FC, CCA relationship is outlined in a contract. CSAC FC will continue to provide additional management, accounting and sponsorship support to CCA. Motion was made to accept the budget adjust \$10,073 (amount exceeded) for 2017-18 and Approval of 2018-19 budget. Motion: Supervisor Saylor; Second: Mary Zeeb.

5. **Review & Approval of CCA Policies & Procedures; Conflict of Interest Disclosure Form.** Approved. Motion: Mary Zeeb; Second: Jim Erb. The Board received an update from CCA Counsel, Greg Turner on the CCA policies and procedures documents in the packet as well as the conflict of interest disclosure forms. Comments from Board members included reference the CCA investment policy and that it should reflect our fund accountant, San Luis Obispo's Investment Policy. Counsel also mentioned that the document will need to be updated to reflect insider trading rules as the Board may have access to sensitive market information. Counsel committed to including that additional and bringing the policy back to the Board at a later date.
6. **Review of User & Vendor Agreements & Noticing Documents.** CCA Counsel reviewed the User Agreement documents included in the agenda packet. Questions were raised about how the User Administrator should be identified or selected. Staff explained that Board members had the ability to delegate the Administrator role to staff that would be responsible for organizing system users within Member counties.
7. **CCA System Training & Overview.** Adam Crabtree, NCS Analytics CEO and CCA Technology Vendor, gave the CCA Board and attendees a demonstration of the platform and its capabilities. Board Members had questions about how to input information; how data was collected; what sources of data NCS had access to in other states; how banks accessed data and how counties could input their own data into the system. Adam explained that cannabis businesses must give their ok for their data to be shared with a financial institution. In addition, Adam explained that METRC data is a potential data source, as well as state and local tax information and the platform also uses other open source data sets, built into its predictive analytics, to generate reports and flags. The connection to the businesses Third Party Software System is also a key data source as it's important for data verification and redundancy.
8. **Roundtable with State Regulators:**
Richard Parrott, Director of CalCannabis Cultivation Licensing Division, Lori Ajax, Chief, Bureau of Cannabis Control. Richard Parrott and Lori Ajax joined the CCA Board and updated the group regarding the status of final state regulations. They were not able to share specific information regarding changes to the regulations as they were slated to be released in the coming weeks. However, they stated that they took all comments into consideration when updating the draft for final release. The Regulators gave a general overview of the status of regulation thus far since the passage of Proposition 64, and the process and progress with the state temporary licenses and verification with local jurisdictions. The CCA Board asked questions about data sharing, the pending regulations related specifically to delivery and the status of the CCA MOU with state licensing agencies. The Regulators committed to working collaborative with CCA moving forward.

9. **Public Comment.** A member of the public, identifying themselves as part of the cannabis community, attended and spoke to the Board about the need for a collaborative relationship with local regulators, In addition they expressed interested in the work that CCA was doing. A representative from SIPCA attended the meeting and referenced the fact that they were a vendor to Yolo, Mendocino and Humboldt counties. They attended the meeting to observe.