

***Idaho State Department of Agriculture***  
***IDAPA 02.02.14 Rules for Weights and Measures***  
***July 11, 2019***  
***Kevin Merritt, Facilitator***

Present: Roger Titmus, Stinker Stores; Suzanne Budge, Idaho Petroleum Marketers; Colby Cameron, Division of Financial Management; Russ Hendricks, Idaho Farm Bureau; Bob Naerebout, Idaho Dairymen's Association; Brian Oakey, ISDA; Kelly Nielsen, ISDA; Pamm Juker, ISDA; Kyle Wilmot, ISDA; Dallas Burkhalter, Office of Attorney General – ISDA; Janis Perry, ISDA; Kevin Merritt, ISDA.

**AGENDA ITEMS**

**WELCOME**

Kevin Merritt convened the meeting at 10:00 am. After introductions, Kevin thanked those present for participating in this continued negotiated rulemaking.

Kevin reiterated the three sections of the current rule that the program suggests be redacted to meet the guidelines of Red Tape Reduction Act.

1. Section 050 Ticket Printer – this information is part of the NIST Handbook 44 which is incorporated by reference in this rule.
2. Section 300.06 Modified Procedure – a section from 1993 to handle half gallon pricing on mechanical pumps. Kevin indicated that since there are very few mechanical pumps remaining this section is no longer needed.
3. Section 016 – this redaction has changed since the first negotiated rulemaking meeting and will remain intact due to Table 1-A still has device fees less than twelve dollars (\$12).

No one present had questions regarding these redactions.

Kevin Merritt directed the group's attention to suggested changes to Table 1 for fee increases plus adding fees for Device Codes U Mass flow meter and V Electric vehicle charging systems. Since the last meeting the proposed fees have been adjusted to be in line with the cost to perform the inspections. Kevin explained that a directive by the governor specified that the budget for Weights and Measures be better in line with program costs and that dedicated funds generated from licensing fees be increased so that the program has less reliance on general funds. The program plans to add an additional staff member which hasn't been done in forty years. Kevin commented that the risk of not increasing the fees could be a reduction in service. Russ questioned if that meant that fees could be paid, but inspections would not be as frequent. Suzanne Budge mentioned that DEQ charges annual fees for underground tanks, but only inspects them every three years.

Kevin shared a revised chart showing the dedicated funds and general funds received by the program which is currently a 40% to 60% split. Suzanne Budge commented that she is in strong disagreement to reducing the general fund request and that the program has always been funded by the general fund. Kevin also pointed out that the proposal is to repeal the weighmaster fee. Discussion regarding how much the program additional expenses including the cost of a new employee, the funds to be shifted to

dedicated funds, and the projected cost of capital outlay would impact the reserve amount. Responding to a question from Suzanne Budge, Kelly Nielsen stated that the program received \$629,000 in general funds last year and anticipates an additional one-time funding of \$62,500 in FY20 for the new position. Suzanne commented that the program serves a consumer protection function so it is her position it deserves to not have the general funds reduced. Colby Cameron stated that after the last meeting he confirmed that the current administration agrees with the former administration regarding reducing reliance on the general fund.

Roger Titmus asked about the new employee. Kevin Merritt responded that the new person would serve northern Idaho which is currently underserved. We handle the workload by sending a person to that area which involves lots of travel time. Roger also commented that folks had concerns about electric charging station not paying their fair share. Russ Hendricks noted that there is no capital outlay allocated to the electric charging fees. Bob Naerebout suggested that all the costs for electric charging stations be built into the fee structure right now, including the cost of the testing equipment. Kevin Merritt responded that this is a strawman, so changes can be made. Bob mentioned that dairies are only one-third of the heavy scales. Suzanne Budge noted that every scale in the marketplace is inspected so the program certainly is consumer protection. Russ remarked that the pie charts don't match up when it comes to the large scales. Kevin stated that the pie charts did not include capital outlay. Kyle Wilmot observed that the right pie chart is based on actual numbers, while the left one is proposed numbers. It was suggested that it would be helpful if they were both proposed numbers with capital outlay expenses included.

Suzanne Budge noted that there are significant changes to the numbers from the first meeting. She asked if all the line items could be shown. Kelly Nielsen responded that he could supply that information. He indicated that he tracks general fund expenses separately from the dedicated fund expenses. Russ Hendricks observed that most fees are paid in January which Kelly confirmed.

Roger Titmus commented that he is not sure an annual inspection is necessary. Kevin Merritt responded that the program has a 6% rejection rate and averages 150 complaints involving fuel quality per year.

Kevin Merritt explained that state comparison spreadsheet. He noted that Utah funds their programs differently based on the number of devices and fees for all scanners and Wyoming is heavily funded through the general fund. Idaho's program numbers are in line with other states that have similar funding mechanisms. Brian Oakey commented that the proposal is designed to not be back requesting a fee increase next year.

Bob Naerebout remarked that he felt the program needed a better road map for legislators. Suzanne Budge suggested that having the projected total program costs for 2020, 2021, and 2022 by line item would be helpful. She indicated that her folks are very appreciative of the program. However, a 50/50 split is what they will be advocating for. Colby Cameron offered to find the correct audience for such a discussion. He also suggested considering the effects on the program of an economic slowdown. Roger Titmus stated that he felt there was a big difference between 2009 and 2019. Suzanne commented that the nature of the business is changing with multiple product dispensers and more pumps at fewer stations. She observed that there is general lack of clarity in the numbers. She suggested a simplified version showing the projected reserves with a reasonable balance between dedicated and general funds.

Russ Hendricks noted that he would like to see a more even split. Bob Naerebout reiterated having the pie charts both showing proposed numbers.

There being no further questions Kevin Merritt adjourned the meeting at 11:35 a.m.

Respectfully submitted by Janis Perry