



Arizona Department of Agriculture

Weights and Measures Services Division
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Weights and Measures Services Division (WMSD) Advisory Council Meeting Minutes June 27, 2019

1. Call to Order. - Mark Ellery, Chair
Called to order at 10:01.

2. Roll Call. - Michele Mellott
Council members present:
Stephen Austin (Den Mart Convenience Stores)
Mark Ellery (The Jet Companies)
Brent Ereksen (Cochise Contractors)
Lynn Hamilton (Albertsons/Safeway)
Hadley Conner (Walmart) (joined the meeting late)
Quorum? Yes.

Staff present:
Michelle Wilson
Michele Mellott
Kevin Allen

Public present:
Amanda Gray - APMA
Leland Gold - Marathon Petroleum (telephonic)
Luke Pramod – Ramboll, representing WSPA
Katie Boligitz - Arizona Auditor General

3. Approval of May 9, 2019 Minutes. - Mark Ellery, Chair
Stephen made a motion to accept May 9th minutes.
Lynn seconds.
Vote. Stephen aye, Mark aye, Brent aye, Lynn aye. Hadley was not yet present.
Motion passed.
4. Council member industry/commodity representation. - Mark Ellery, Chair
Discussion of council member affiliations and how each fits in with the council goals to represent various industries and commodities regulated by WMSD.

Lynn:

Lynn Hamilton has been with Albertsons/Safeway for 17 years. He previously worked in New Mexico in charge of all of the stores in the New Mexico/El Paso market and moved to Arizona 4 years ago. He is currently in charge of the southwest Areas: Las Vegas, St George, UT, AZ, southwest NM, El Paso, TX. He has worked with weights and measures extensively and is aware of how much retail is influenced by weights and measures. The types of weights and measures-related issues he is involved with include pricing, scales, tare, price posting, starting into fueling devices (and skimming devices) and upcoming Ecommerce business. Self-checkouts have also been a business that they are getting back into. Michelle Wilson also stated that they are licensed Registered Service Agency (RSA) with Registered Service Representatives (RSR) for scales.

Brent:

Brent Erekson is the co-founder of Cochise Contractors, Cochise Petroleum, and Cochise Services. They maintain, build, and service gas stations. Just ranked 5th for gas station builders the US. As a contractor, their goal is to be fully involved in the market place. They have been very creative in developing tools for testing gas stations to make the job easier, faster, better. Brent has 13 contractor licenses to work in NM, Utah, Texas, Nevada and some work in CA and some work on reservations. Michelle Wilson clarified they are licensed RSA/RSR- for fueling and vapor recovery testing and installation under the Authority to Construct permit process.

Stephen:

Steven Austin is the Vice President of Denmar Corporation who owns and operates Chevron-branded retail fuel stations. They are involved with all aspects of gas station and retail operation and regulatory requirements. Represent the small "mom and pop" operations. He has worked in the field since he was born, as it is a family operation started by his parents Dennis and Marjorie, hence Denmar. Has also partnered with the police departments and weights and measures with respect to skimmer investigations. Mark Ellery commented that even though Chevron is a large entity, Steven represents the small company owner.

Mark:

Mark Ellery has been involved with the fuels industry for many years. His first job was at a gas station when he was 14 years old. He received a bachelor degree in Environmental Science and Chemistry, which he used performing analytical chemistry work in the laboratory. In 1997 he worked for the Weights and Measures Department and assisted in the development of the Cleaner-Burning Gasoline regulations. About 13 years ago, after short time at the Governor's office, he went to work for Caljet. Calject is a major distribution company for all fuels, including gasoline, diesel, biodiesel, aviation. His emphasis is on fuel formulations and air quality from refinery to retail. Mark discussed anti-trust as issue in competitive market and reminded everyone to be cognizant to abstain from these discussions and to speak up if anyone has concerns.

Hadley:

Hadley Conner is the Regional Compliance Manager for Corporate Walmart covering the territory of Arizona and New Mexico. She is in charge of compliance at 160 Walmart, 60 Sams Club, and 62 Neighborhood markets. She is involved in all elements of compliance for the portfolio of stores. Her experience brings a good retailer perspective related to the issues they face related to pricing, tare weights, fuel sales, and all weights and measure issues to protect the consumer. Her charge is to preserve the brand as a Fortune 1 company. Sam's club fuel will be increasing and they see consumer-based complaints related to fuel price fluctuations.

5. Council discussion of future efforts. - Mark Ellery, Chair

The council discussed items to consider for the next meeting. The following agenda items were suggested:

1. The RSR and RSA program - discuss and understand the process
2. How WMSD evaluates and assigns manpower to various inspection types and duration of inspections.
3. Report back from Michelle on NCWM meeting.
4. Discussion of how rulemaking for Handbook updates.

6. WMSD Updates. - Michelle Wilson

Budget - Budget has stayed the same as last year. We receive \$913,938 from general fund and \$1,445,200 from the air quality fund, for a total of \$2,359,138. There are some operational adjustments that will be made which we will receive in July. Right now we expect Risk Management costs to decrease, while IT and rent will increase. We believe the overall impact will be insignificant.

Legislation - SB 1185 passed this legislative session and was signed by the governor May 22, 2019. This is legislation that we worked in cooperation of AFMA, APMA, WSPA, and ARA. We appreciate the efforts of everyone involved for this legislation. This bill allows the issuance of a two or three year license if the applicant pays the license fees for that time period. We are currently working with the licensing and IT department to review options for potential implementation. The purpose of the legislation was to reduce the amount of processing by the state and licensees for license renewals, particularly for low-cost licenses where people may find it advantageous to purchase a multi-year license.

Propane – June 25 Workshop - The division held a workshop with propane industry stakeholders yesterday. We had approximately 25 people in attendance. As part of our goals to perform inspections in “underserved” areas that we regulate, we have increased the training and number of people who are qualified to conduct these inspections over the past couple years. As such, we have begun a dialog with industry representatives regarding the program and potential areas for improvement. There were 4 topics discussed.

- 1) Testing of propane delivery vehicle meters – industry representatives will work with us to identify the number of vehicles requiring testing and potential testing locations
- 2) Mater meter program – The propane industry is the only industry not utilizing NIST-approved equipment for calibration of commercial devices. Arizona is the only state that has allowed this practice. Ten years ago, the subject was discussed and industry was going to work with NIST regarding approval of the master meters that are used in Arizona. To date, that work was never finalized due to issues with the testing methodology. We discussed setting a deadline of 3 years to convert to use of volumetric provers. Our metrology lab recently learned that NIST is testing an additional method which would be significantly more cost effective. In light of this information, we will review their progress in 12 months.
- 3) Sale of propane – Handbook 130 requires the sale of propane to be temperature compensated. This has not been enforced in Arizona. Stakeholder pointed out potential issues with meeting these requirements and questioned the interpretation of the handbook. The Division will reach out to other states to verify their interpretation and whether or not they enforce these provisions.
- 4) Device licensing – propane devices are generally licensed by the site owner/operator, even though they are usually maintained by the propane company. When we find an issue warranting a civil penalty, site operators are confused why they would receive the civil penalty. In all other areas, such as water vending machines, air/water machines, etc. they are licensed by the owner responsible for maintenance. Stakeholders indicated that contracts vary from company to company and the company should determine how they are licensed. After discussion, it was decided to continue as historically

been done. If the issue relates to maintenance or the meter and a propane company is listed, the civil penalty would first be issued to that company.

Cleaner Burning Gasoline Workshop – TBD - The Division has hosted four meetings with ADEQ and MAG regarding the CBG program since May 2017. The CBG program provides for a gasoline formulation that is unique to Maricopa County and portions of Pinal and Yavapai Counties. As this is the only location in the country with this fuel formulation, any disruptions to supply cannot be made up with additional supplies from surrounding areas or states. Additionally, the requirements for production and program implementation are very stringent and burdensome.

Initially the purpose of these meetings was to evaluate whether or not the CBG program continues to provide benefits to air quality. Later, ADEQ requested analysis to determine if implementing CARB Phase 3 during the summer would provide additional ozone benefits. During this time period MAG has modeled various scenarios. The last meeting was held March 28, where MAG presented their latest modeling results. While I was hoping to have further information regarding the next meeting, it has not yet been scheduled at this time.

NCWM Annual Meeting – July 14 – 18 - The annual National Conference on Weights and Measures meeting is July 14 through 18 in Milwaukee. The State of Arizona adopts the requirements contained in NIST Handbooks 44, 130, and 133. Handbook 44 relates to device specifications and tolerances for commercial devices, Handbook 130 contains uniform laws and regulations for weights and measures such as general requirements, weighmaster, fuels, method of sale, packaging and labeling, service representatives, and price verification. Handbook 133 contains packaging test methods. Each year new proposals for modifications of these requirements begins at one of four regional meetings. If recommended for further review, for further review, the proposal will proceed to the Interim meeting held in January. Any items that are recommended for voting will be voted on at the end of the Annual meeting. At each of the meetings, open hearing are held to receive comments from interested parties. Any proposals that are voted in at the annual meeting become part of the Handbook, effective January 1 of the following year.

7. Call to the Public.

This is the time for the public to comment. Members of the Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.

Luke Parmod, Where will the CBG workshop take place? (Michelle- Usually here at 1688 w Adams) Michelle will send out notice when the next meeting is scheduled.

8. Executive Session.

To obtain legal advice pursuant to A.R.S. §38-431.03 (A) (3) on any matter on the agenda.
None requested.

9. Next meeting

August 9, 10:00 a.m. room 206.

Mark moved to adjourn, Stephen second. Motion passed.