

# FUEL MONITOR

SUMMER 2016

ARIZONA PETROLEUM MARKETERS ASSOCIATION



## APMA 2016 Annual Conference and Golf Tournament

Sedona Hilton at Bell Rock and Sedona Golf Resort  
Sunday, September 11 – Tuesday, September 13

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## APMA'S PURPOSES

APMA's primary purpose is to protect and advance its members' legislative and regulatory interests in Arizona and Washington, D.C. APMA's secondary purpose is to provide members with business and social functions. These include an annual conference, workshops, seminars and industry speakers. APMA holds two golf tournaments – one benefitting the APMA Scholarship Foundation and the other in conjunction with the annual conference. In addition, APMA holds monthly membership meetings as well as various association committee meetings. APMA is a member of the Petroleum Marketers Association of America.

## APMA'S OBJECTIVES

- Encourage members to be actively engaged in association activities and legislative grassroots efforts
- Provide resources for education, training and the exchange of ideas
- Encourage members to maintain high business ethics and a positive image for the industry
- Advise and educate membership to enable them to run their businesses effectively and profitably

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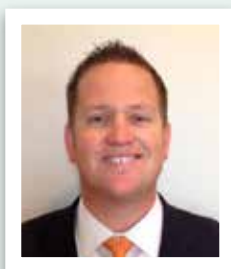
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### Cover photo:

APMA traveled to Washington DC on May 18 – 20 to bring petroleum marketers' issues directly to the Capitol.

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## APMA Executive Committee



President  
 Jason Davis  
 Arizona Fuel Distributors



Vice President  
 Michelle Bloom  
 Western Refining Wholesale



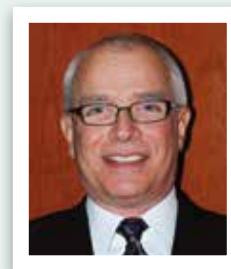
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 Bill Champlin  
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 Lenora Nelson  
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Treasurer  
 Dave Alexander  
 Caljet



PMAA Director  
 Warren Lueth  
 Senergy Petroleum

## APMA Board of Directors

David Armstrong .....	Ballard Spahr	Ron Gilley .....	Circle K Stores
Bill Aust .....	Biltmore Bank of Arizona	Steve Hallum .....	Hallum Inc.
Michelle Bloom.....	Western Refining	Bill Havard .....	Wells Fargo Insurance
Alan Calvert .....	Calvert Oil	Steve Kornman.....	SC Fuels
Vallie Dodge .....	Knight Family Companies	Troy Little.....	Quik Mart Stores
Apryl Erikson .....	Cochise Companies	Jess Miller .....	Diamond Trucking
Shawn Frate .....	Jackson Oil	Jami Moore .....	HollyFrontier Companies
		Cameron Trejo .....	Trejo Oil

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# Joint Message from the President and Executive Director

Let's take a minute to be thankful. Arizona currently enjoys a generally business-friendly climate. As state executives from across the Western Region gave updates at the PMAA Washington Conference on the legislative news in their home states, it became apparent that some of our neighboring states' leaders do not have petroleum marketers' interests at heart. After hearing from CIOMA about all of the legislative, executive and regulatory battles and burdens that California petroleum marketers are facing, it is an understatement to say that it could be worse for Arizona marketers.

Governor Ducey is not at all like his California counterpart. He, along with legislative leadership, supported bills that are aimed at making it easier to do business in our state. Our governor, unlike many politicians, is holding true to his campaign promises, like providing tax decreases NOT increases and shifting state government to "move at the speed of business."

We are fortunate to work with regulators who are hearing from the leader of the state that they should be working with and not against job creators.

APMA is committed to making our industry's challenges known to state and federal leaders – and to working towards solutions. For instance, APMA accepted an invitation from Department of Agriculture Director Mark Killian to participate in a planning session focused on setting priorities for the Department in the next year and over the next five years. We emphasized the need for communication and flexibility during the decommissioning of stage II vapor recovery equipment, as well as the importance of allowing retailers an opportunity to correct issues before issuing civil penalties.

APMA had a very positive 2016 Legislative session overall. Check out the Legislative Wrap Up on pages 14-15 to learn about the bills APMA supported, monitored and opposed.

In the summer and fall, APMA will be working with legislative leaders and other impacted industries on solutions for equalization of the diesel tax. We made significant headway in alerting legislators and other stakeholders to the issues the current system creates for marketers.



Jason Davis  
President



Amanda Gray  
Executive Director

Another hurdle on the horizon is that a minimum wage increase may make its way on to the November ballot. See page 8 for information on dues structure changes approved by the APMA Board of Directors in order to improve APMA's ability to combat these and other challenges.

We are excited about APMA PAC's first fundraiser – a night golf outing at the Continental Golf Club on Friday, June 10. At the PMAA Day on the Hill, we visited with Congressman David Schweikert, who told us that he worked on the original Underground Storage Tank program in Arizona and that he still remembers the support he got from petroleum marketers. It is so important to support candidates who understand our issues – they remember it! If you have not supported the PMAA PAC (for federal candidates) or the APMA PAC (for state candidates) yet this year, please make the investment. You can give online ([pmaa.org](http://pmaa.org) or [apma4u.org/apma-pac](http://apma4u.org/apma-pac)) or by personal check.

We hope that you are all planning to join APMA for our Annual Conference and Golf Tournament coming up September 11-13 at the Sedona Hilton at Bell Rock and Sedona Golf Resort. In addition to valuable educational seminars, we will have a fantastic line up of networking events and activities. Sponsorship of the annual conference is the ideal way to build your company's name and reach the entire APMA membership. Learn more about the conference online at [apma4u.org/conference](http://apma4u.org/conference) or see page 9 for a sneak peak at the gorgeous venue. See you there!

We are thankful for your support of the association!

Jason Davis

Amanda Gray

# Safety Corner: Preventing Sprains and Strains

## Tips for avoiding workplace injuries

Provided by Brian Cook, Horizon Insurance Group



Over six million injuries occur in the workplace every year. Sprains, strains and tears to muscles and connective tissues are some of the most common injuries workers experience.

Sprains and strains can result from lifting injuries, being hit by fallen objects or even a simple misstep. Overusing your muscles can also cause these injuries. Protect yourself and others from these painful injuries by always practicing safety on the job.

### Sprains

Sprains occur when a ligament has been stretched too far from its normal position. Sprains of the fingers, wrists, knees and ankles are most common.

### Strains

Strains are the result of pulling too far on a muscle or by pulling a muscle in one direction while it is contracting. Strains can also be caused by repetitive movements that lead to an over-stretching of muscle fibers. Strains of the back, neck, groin and hamstring are most common.

**Sprain or Strain?** They are not the same. Sprains are injuries to ligaments; strains are injuries to muscles or tendons. Taking the proper safety precautions and lifting techniques while on the job is your best defense against these injuries.

### Tips for Prevention

To help reduce your risk of sprains and strains while on the job, keep these tips in mind:

- Follow's guidelines for safe lifting, especially if your position requires you to lift heavy items.
- If you are lifting something particularly heavy, use extreme caution. When in doubt, ask for help with the lift.
- Reduce repetitive movements if possible; chronic strains are usually the result of overuse.
- Use proper form while completing tasks—extensive gripping can increase the risk of hand and forearm strains.
- Practice safety measures to help prevent falls. Avoid slippery surfaces, and always use harnesses and nets if applicable.
- Wear proper attire, including footwear, gloves and other applicable protective equipment.
- Consider your posture when sitting for long periods of time; maintain an overall relaxed position.
- Maintain a healthy fitness level outside of work to keep your body strong and flexible.
- Stretch before you begin working, and take short breaks throughout the day to stretch and rebalance your body.

If you have any questions or concerns about sprains or strains, do not hesitate to contact your supervisor.



## Calendar of Upcoming Events

June 10th APMA PAC Night Golf Outing at Continental Golf Club

June 21st Monthly Meeting and Luncheon at the Phoenix Country Club (PCC) (11:30 am – 1 pm)

June 21st Conference Committee Meeting at PCC (1 – 2 pm)

July 19th Safety Committee Meeting at PCC (10 – 11 am)

July 19th Monthly Meeting and Luncheon at PCC (11:30 am – 1 pm)

July 19th Conference Committee Meeting at PCC (1 – 2 pm)

August – No Monthly Meeting

August 19th Fall Fuel Monitor Content Submission Deadline

September 11 – 13th APMA Annual Conference and Golf Tournament at the Hilton Sedona Resort at Bell Rock and Sedona Golf Resort

# PMAA Day on the Hill Recap

## Background

APMA representatives joined with petroleum marketers from across the nation in Washington, DC on May 18 – 20, 2016 for the PMAA Washington Conference and Day on the Hill. Representing Arizona were Warren Lueth from Senergy Petroleum, Jason Davis from Arizona Fuel Distributors, Terry Trendler from Environmental Technology and Amanda Gray from APMA.

The Arizona contingent had a fully packed Day on the Hill, with eight meetings with Congressional members or staff.

After meeting with Representative Paul Gosar, his staff indicated that he had never visited a fuel terminal but would be interested in seeing one and learning more about Arizona's fuel infrastructure. APMA has coordinated a meeting with Representative Gosar and his staff to tour the Caljet terminal in August.

In each meeting, the discussions focused on tanker truck placarding, reform of the Renewable Fuels standard (RFS) and ozone standard implementation delay.



**Warren Lueth (Senergy Petroleum and Arizona PMAA Director) awaiting the next Congressional meeting.**

## Placarding Fix

Since 2000, PHMSA advised that cargo tank ships could be placarded to the lowest flashpoint product that was ever carried on the truck. Transporters affixed permanent 1203 placards for gasoline, even if the truck carried both gasoline and diesel fuel. In June of 2015, PHMSA (without public notice or opportunity for comment) reversed their guidance and advised that the placard must be changed to the specific product currently being carried at the time.

When fully enforced, switching placards would cost \$3,450 per tanker truck per year, plus increased safety risks for drivers and potential for fines for improper placarding (\$2,500 per violation). PMAA has negotiated language into the Safe Pipes Act (S.2276) to revert back to placarding at the lowest flash point for both split loads and alternating straight loads of diesel fuel and gasoline. APMA asked for support of the Senate language that resolves the placarding issue.

## RFS Reform

Until now, EPA has averted breaching the blend wall through modification of the ethanol blending volumes mandated by RFS. However, these adjustments are discretionary and could cease in any year. Retailers are not prepared for E15 and higher blends.

Right now, the vast majority of underground storage tank systems including pipes, sumps, dispensers and more, are only certified by Underwriters Laboratories to handle up to ten percent ethanol blends. UL certification of equipment is required by federal, state and local laws and regulations as well as commercial insurance policies. Retrofitting a site with compatible equipment would cost more than \$200,000 per site. Corrosive effects of higher ethanol blends on UST systems have not been adequately investigated yet.

If all of that were not enough, retailers have strong concerns about liability for misfueling of higher ethanol blends. EPA's suggestion that retailers use labels to warn customers that E15 should not be used in pre-2001 vehicles is laughable.

PMAA supports legislation known as "The Food and Fuel Consumer Protection Act" (H.R.5180) that directs EPA to consider market realities and cap the maximum volume of ethanol blended into fuel at 9.7 percent of projected gasoline demand forecast by the Energy Information Administration. APMA requested co-sponsorship of this bill.

## Delaying Ozone

The 2015 ozone standard of 70 parts per billion (ppb) will force much of Arizona into nonattainment. Reformulated (in Arizona, CBG) and low-Reid Vapor Pressure gasoline are two of the most common transportation strategies. It is possible that CBG or other fuel blends could be required



**Congressman David Schweikert (CD-5), Amanda Gray (APMA), Warren Lueth (Senergy Petroleum), Terry Trendler (Environmental Technology), and Jason Davis (Arizona Fuel Distributors).**



**PMAA Chairman Mike Bailey (Bailey Enterprises, Casper, WY) greets the PMAA Board of Directors.**

in more areas of the state, which could create logistical issues, especially in rural areas of the state.

The 2008 ozone standard of 75 ppb is still being implemented and it is in the process of accomplishing the Clean Air Act's goals. Since 1980, ozone levels are down more than 33 percent, a trend that EPA projects will continue as states implement the 2008 standard. EPA did not provide states with guidance on implementing the 2008 ozone standard until 2015.

APMA asked for co-sponsorship of the "Ozone Standards Implementation Act of 2016" (H.R.4775) and related appropriations language that would extend state deadlines to submit implementation plans for the 2015 ozone standard until 2026. It would also extend the statutory review cycle for all air quality standards from five to ten years. Over 200 associations, companies and state groups support this approach.

### Summary

While fuel marketers have important and unique perspectives on the RFS and ozone than other industries, these are topics that Representatives hear about frequently. However, none of the policymakers or staffers were familiar with the placarding issue, which has a significant impact on members of the association.

Building and maintaining APMA's reputation with federal representatives is part of the important work that the association does. It would not be possible without member participation. If you would be interested in visiting DC with APMA next year, contact Amanda Gray.

## 2016-17 APMA Officers and Directors and Dues Structure Changes

Based on the outcome of the May Annual Meeting elections, APMA is proud to announce its slate of Officers and Directors for July 1, 2016 – June 30, 2017.

### Officers:

President – Jason Davis, Arizona Fuel Distributors  
 First Vice President – Michelle Bloom, Western Refining  
 Second Vice President – Bill Champlin, Retired  
 PMAA Director – Warren Lueth, Senergy Petroleum  
 Treasurer – Dave Alexander, Caljet  
 Immediate Past President - Lenora Nelson,  
 Bennett Oil/American Transport

### Directors:

David Armstrong, Ballard Spahr  
 Bill Aust, Biltmore Bank  
 Alan Calvert, Calvert Oil  
 Vallie Dodge, Knight Family Companies  
 Apryl Erekson, Cochise Companies  
 Shawn Frate, Jackson Oil  
 Ron Gilley, Circle K Stores  
 Steve Hallum, Hallum Inc.  
 Bill Havard, Wells Fargo Insurance Services  
 Steve Kornman, SC Fuels  
 Troy Little, Quik Mart Stores  
 Jess Miller, Diamond Trucking  
 Jami Moore, HollyFrontier Companies  
 Cameron Trejo, Trejo Companies

The APMA Board of Directors approved changes to the association dues structure. The number of marketer dues categories was reduced from nine categories to five categories and there was a \$100 per year increase to associates and marketers with volumes over 100 million gallons per year. These changes were made to bring APMA into line with neighboring states, to respond to consolidation in marketers in recent years and to increase the association's lobbying and legislative budget. Dues categories and amounts are as follows:

- **Marketing Members**
  - o Up to 5 million gallons per year ..... \$450
  - o 5-10 million gallons per year ..... \$750
  - o 10-25 million gallons per year ..... \$1,100
  - o 25-100 million gallons per year ..... \$2,200
  - o 100 million gallons or more per year ..... \$2,850
- **Associate Members** ..... \$550

These changes will take effect for the 2016-17 dues billing that will be released on July 1, 2016.

Thanks to the Officers and Directors for their service to the association!

# Luncheon Review

## March

On Tuesday, March 15, APMA members gathered at the Phoenix Country Club for the March Luncheon. Kim Flores and Nathan Weamer from Core Health and Wellness brought the crowd to their feet. They presented on how encouraging employee wellness can benefit employers through improved productivity, and reduced sick time and workers compensation claims. Bill Jenkins and Bill Callaway from Crompco provided updates on AccuMeasure, Skimmers, Fuel Theft and Aerial Mapping. Blane Moore from KAG West gave a Safety Minute talk about the importance of investigating near miss incidents. Amanda Gray from APMA provided a legislative and association updates.



## May

At the May Luncheon meeting, attendees heard about Fuel Waivers and the Clean Air Act process from Michelle Wilson from the Arizona Department of Weights and Measures (which will, starting July 1, be a Division in the Department of Agriculture) and Steve Burr from the Arizona Department of Environmental Quality's Air Quality Division. Amanda Gray from APMA gave legislative session and association updates. Brian Cook from Horizon Insurance Group presented the Safety Minute on dehydration and summer heat. Association members voted on Officers and Directors for the upcoming year.



### **Jami Moore**

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### **Mike Hardy**

SW Marketing Representative  
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# 2016 APMA Annual Conference & Golf Tournament

Sedona, Arizona

Conference

## September 11-12

Sedona Hilton at Bell Rock

Golf Tournament

## September 13

Sedona Golf Resort

Reservations are available now by calling **877-273-3762** and referring to the APMA Conference at the Hilton Sedona Resort.

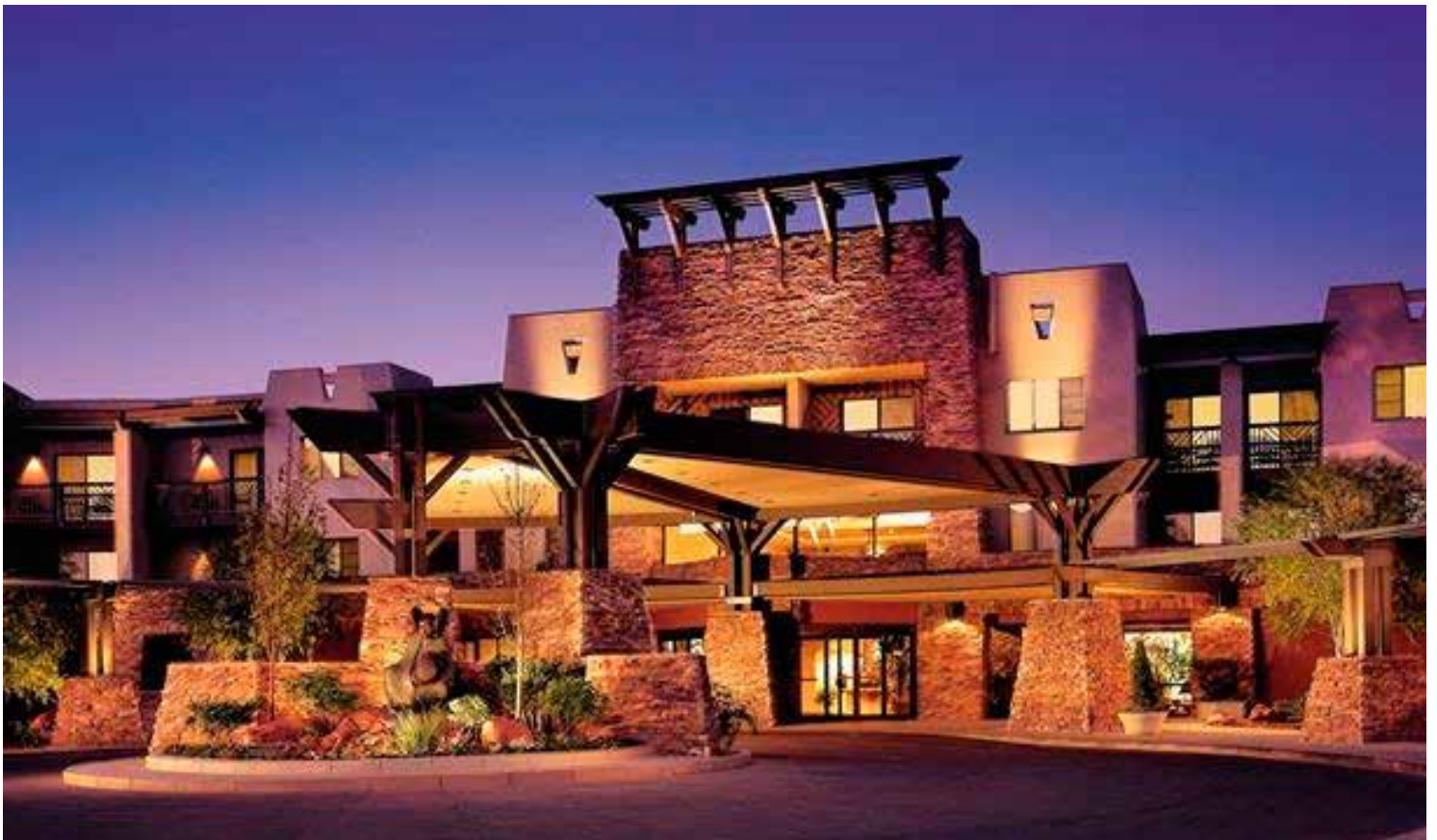
**Group Rate of \$169\* per night** for King bedrooms available.

\* Plus applicable state and local taxes, assessments and fees and \$10 per day Resort Fee. Porterage is available at suggested rate of \$8 per person roundtrip and maid service at the suggested rate of \$2 per day. Cancellations must be made with 72 hours advance notice. Reservations that do not arrive on scheduled arrival date are subject to charge of one night's room and tax. Guests checking out prior to planned departure date are subject to charge of one night's room and tax.

Group rate is subject to availability. Group rate ends **Friday, August 19, 2016** at 5 pm local time. Questions? Contact APMA at 602-330-6762.



Registration and  
Sponsorship online  
[apma4u.org/  
conference](http://apma4u.org/conference)



# 5 Ways to Stop Wasting Cash in Inventory

By Betsi Bixby, Meridian Associates



When we do business valuations for marketers who want to know what their business or someone else's is worth, one of the criteria we measure is inventory efficiency. Why?

Because inefficient inventory will actually reduce the company's value using any asset-based income model.

But more than just reducing the company's market value it is also a huge waste of cash and most times, easily fixable.

We find most companies think that their inventory is just fine. It's at a level that they're used to seeing and that number becomes pretty comfortable. Unfortunately, comfortable isn't always the right number.

So what is the right number? To get to that number, we begin by calculating days of inventory on hand. This is simply the inventory dollars on your last balance sheet divided by the average cost of goods sold for one day over the last month. That is the number of days of inventory you have on hand.

Next we compare that to what your inventory should be, which is 1.5 times your supplier frequency plus any lead time. For example if you own stores and your grocery supplier comes weekly, take seven days times 1.5 and you get 11 days worth of inventory.

Let's use another example of a lubes warehouse. We find for most marketers, given lead-time and customer service issues, the maximum lubes on hand should be no more than 15 days. Yet the typical lubes warehouse will have 30 to 45, even 60, days on hand.

So here are the top five actions to reduce your inventory and increase the market value of your company:

**1. Reduce the variety of products.** Customers don't need 10 choices of everything. Figure out what your customers need and get rid of the rest. Major research on retail purchases has shown that by giving customers less choice and reducing decision time, velocity increased - resulting in more sales! In a lubes warehouse, think three brands - a premium brand, a mid brand, and a value or house brand. Going beyond that scope may be alluring, but brand proliferation will normally hurt you more than help you.

**2. Reduce multiple sizes of same products.** This isn't just about potato chips, it's about anything that you carry in multiple sizes. And don't always delete the midsize product. Study velocities in all sizes and reduce what makes sense.

**3. Add Non-moving, slow-moving automated flags.** The reason why inventory often grows and grows is that customer's buying habits change, but the inventory stocking method does not. With today's software systems there is no reason you should not get a big red alert when inventory is not moving.

**4. Assign single person accountability with performance pay.** We've noticed a simple trend-those companies with the best inventory levels have someone assigned and accountable while companies with the worst (highest) inventory have no one held accountable for inventory levels. Most people in charge of inventory are worried about run outs more than they are about your cash. You can change this first through education and then with improvement bonuses, which are self-funded through cash savings.

**5. Reduce theft.** Video surveillance has become inexpensive. The other day I learned of card lock fuel theft which eventually added up to over \$12,000 that could have been prevented with a simple \$250 camera. Theft also occurs in warehouses and retail, both deliberately and inadvertently. Measuring, educating, internal reporting, and bonusing can cure the majority of internal theft and get employees watching vendors and customers on your behalf.

These five actions are not hard to do and they bring wonderful results. We teach additional state-of-the-art inventory methods in our coaching program and it has been personally gratifying to see some of the results. We've had large lubricant marketers make seven-figure reductions in inventory that catapulted their values.

So just do your math on what your inventory level is currently, then what it should be to know how much cash you have sitting in inventory that ought to be in your bank account. My guess is that number will get you motivated!

*Since 1991, Meridian has provided insight and services to over 3,400 petroleum marketers, growing and expanding their market share, while increasing their cash flow and profits. Being the leading petro valuation provider in the nation, Meridian is also trusted for buy/sell transactions. To find out what Meridian can do for you - Call us 866-888-0327.*

# 18<sup>th</sup> Annual APMA Scholarship Golf Tournament

McCormick Ranch Golf Club  
Thursday, April 14, 2016



It was a beautiful day to raise money for scholarships, and play a little golf as well.

Scholarship Golf Outing participants played an afternoon shotgun start, bought score improvement kits with “magic” string and received goodie bags with treats and prizes.

There were contests for men’s and women’s long drive, a hole in one prize of \$10,000 cash, a 50/50 raffle game, a putting contest and a Vegas hole.

Twenty-six companies generously sponsored holes for the event.

*(continued next page)*

## THANK YOU TOURNAMENT SPONSORS!

St. Andrews Sponsors:



Masters Sponsor:



From top left, then clockwise:

The carts are ready to head out for a round on the lovely McCormick Ranch pine course.

Tournament Chair Tyler Herzog and Jaime Kruger (Cochise Companies), Stephen Austin and Jennifer (DenMart C-Stores) and Amanda Gray (APMA).

Mark Panzica (Senergy Petroleum) and Lindsey Gray (ANS Distributing) catch up during check in.

Attendees got to their feet and searched under their chairs for a prize during the Awards Event festivities.



*(continued)*

At the awards event, the Golf Committee surprised the crowd by handing out prizes to the Third Place and Most Honest teams. Participants won over 30 high value raffle prizes and five grand prizes. David Kec (Western States Petroleum) almost had to ride his new tandem bike home! The Tournament raised just shy of \$45,000 for the APMA Scholarship Foundation, which awards continuing education scholarships to APMA member company employees and their children.

Many thanks to all who sponsored, donated, participated and volunteered to make this outstanding event a reality. Special thanks to the Golf Committee Members: Michelle Bloom (Western Refining), Brandon Hickey (Northwest Pump), Nick Herbert (Arizona Fuel Distributors), Stephen Austin (DenMart Convenience Stores) and Chair Tyler Herzog (Cochise Companies).

**Grand Prizes and Donors:**

Set of Cobra Irons – Diamond Trucking  
 Subwoofer Package – Cochise Companies/Audio Addiction  
 40 inch LED Monitor and Ads for 1 Year – Demand Drop  
 Tandem Bicycle – Red Mountain Sales  
 Yeti Cooler – Blaes Environmental

**Awards Event Sponsors:**

Shell Oil Company  
 Arizona Fuel Distributors

**Boxed Lunch Sponsors:**

Federated Insurance  
 Hawkeye Electric  
 Senergy Petroleum

**Hole in One Sponsor:**

PT Risk Management/PMMIC

**Driving Range Sponsor:**

Jackson Oil Company

**Putting Green Sponsor:**

PME

From top left, then clockwise:

The water is beautiful, but dangerous, on McCormick Ranch's pine course.

APMA Directors Shawn Frate (Jackson Oil) and Jami Moore (HollyFrontier) enjoying the sunshine.

Golfers take a break to check out the Demand Drop monitor system and other features.

Below:

After beating out the guys in the putting contest, Jacoy Kellerstrass enjoys some appetizers with her husband Craig.





The hole sponsored by Cochise was causing back ups in play with music, Vegas games, and free drinks.



Loading up with tasty appetizers during the Awards Event. Thanks to Shell and Arizona Fuel Distributors for sponsoring!

**Contest Winners:**

Men's Long Drive - Treve Gibson  
(Demand Drop)

Women's Long Drive - Denise Anderson  
(Circle K Stores)

Putting Champion - Jacoy Kellerstrass  
(Kellerstrass Oil Company)



**Third Place Team:** Gavin Rodriguez, Ankeet Patel, Ray Kurkyj. Not Pictured: Debbie Smith (Western Refining).



**Most Honest Team:** Dave Richards, Jack Smith (both Redburn Tire), John Opitek (Jonesco Trucking). Not Pictured: Cameron Leipart (Continental Tire).

# 2016 Legislative Wrap Up

## 52nd Legislature – 2nd Regular Session

The Arizona Legislature adjourned for the year on Saturday, May 7, 2016 at 5:45 a.m. following a session that lasted 117 days. During the session, 1,247 bills were introduced, 388 of which were passed by the Legislature. Governor Doug Ducey signed 374 bills into law and vetoed 14 bills. The Secretary of State received 36 memorials and resolutions. The general effective date for most legislative acts (without an emergency clause or specified later dates) is August 7, 2016.

Below please find summaries of the key bills that APMA supported during the 2016 session. If you have any questions or would like a copy of any bill or chaptered law, please contact Amanda Gray.

## FUEL & CONVENIENCE STORE ISSUES

### **HB2130 – Municipalities; Counties; Energy Use Reporting (Rep. Petersen)**

Prohibits counties and municipalities from requiring a property owner, operator or tenant to report energy usage and consumption.

Signed by Governor on March 14. Chap. 27, Laws 2016.

### **HB2131 – Municipalities; Counties; Auxiliary Containers (Rep. Petersen)**

Prohibits counties and municipalities from imposing a tax or fee on a consumer or a business owner for auxiliary containers (any reusable bags, boxes or other recyclable containers).

Signed by Governor on March 14. Chap. 28, Laws 2016.

### **HB2372 – Liquor Licenses; Stores; Proximity; Exception (Rep. Shope)**

Would have allowed liquor licenses to be granted near a church or school if the applicant is a grocery store containing at least 4,500 square feet of retail space, offering fresh produce for sale and deriving less than 50 percent of its gross revenue from the sale of liquor (excluding fuel sales).

Failed to pass House of Representatives.

### **HB2493 – Use Fuel Taxes; Adjustment (Rep. Bowers)**

Would have taxed all diesel fuel at 26 cents per gallon and allowed owners of light class vehicles to collect a reduction on their vehicle license tax each year. Would have removed requirements for use fuel sellers who sell directly to vehicles to be licensed by ADOT.

Negotiated agreement to hold summer Study Committee to reach a consensus on a solution to two tiered use fuel tax system.

## STATE AGENCY ISSUES

### **HB2014 – Electronic Documents; State Agencies (Rep. Stevens)**

If a statute or rule requires submission of an application or other documentation, the bill would have required state agencies to provide a method of electronic submission.

Passed House of Representatives but was not heard in Senate committee.

### **HB2171 – Weights & Measures; Omnibus (Rep. Petersen)**

Modifies definitions including ethanol flex fuel, biodiesel, biomass-based diesel, gasoline, gasoline provider, fleet owner, oxygenate, product transfer document (PTD) and supplier. Modifies the allowable sulfur amounts for diesel, biodiesel and bio-mass based diesel fuels. Eliminates requirement that PTDs for diesel fuel containing five percent or less by volume of biodiesel must state the



amount of biodiesel intentionally added to or known to be in the product. Starting October 1, 2018, all retail diesel fuel dispensers must use green grip guards and all retail ethanol flex fuel dispensers must use yellow grip guards. Requires that fuel transporters ensure that the name and address of the final destination for the shipment are included on the PTD and that it accompanies the shipment to its final destination.

If a product is only available with the assistance of a salesperson, the seller may display the package at a service counter staffed by the salesperson without the package bearing the price.

Requires appointment of a Weights and Measures Services Division Council. Allows development and implementation of a consultation and training program for regulated industries and division inspectors. Allows an alleged violator to either request an informal hearing in person or telephonically or request a formal hearing under Title 41, Chapter 6, Article 10. Makes conforming changes.

Signed by Governor on May 12.

### **HB2250 – ADOT Advertising; Sponsorship; Nonhighway Assets (Rep. Gray)**

Authorizes ADOT to establish a program to lease or sell advertising on nonhighway assets, limited to motor vehicle and motorist-related goods and services. Revenues must be deposited in the State Highway Fund. Program ends on July 1, 2026.

Signed by Governor on March 24. Chap. 66, Laws 2016.

### **HB2337 – Regulation; Deficiencies; Opportunity to Correct (Rep. Norgaard)**

Requires agencies to provide the regulated person an opportunity to correct the deficiency if the agency is unsure whether the regulated person meets the statutory list of circumstances which preclude the person from receiving an opportunity to correct.

Signed by Governor on May 19.

### **SB1119 – Board of Technical Registration; Continuation (Sen. Yee)**

The Board of Technical Registration is extended eight years to July 1, 2024.

Signed by Governor on May 11. Chap. 142, Laws 2016.

### **SB1207 – Department of Transportation; Continuation (Sen. Worsley)**

The Department of Transportation is extended eight years to July 1, 2024.

Signed by Governor on May 17.

## OTHER

### **Budget Bills**

The FY 2016-17 budget was passed in early May. The budget provides \$9.6B in annual spending, and restores \$300 million in funding that was cut from K-12 education and \$32 million from universities last year. It includes no tax increase and a tax cut to allow businesses to depreciate the deduction they can take for purchases of new equipment more quickly. It increases the discount rate at which tobacco distributors purchase tobacco stamps from the Department of Revenue to 96.48% of face value, subject to an administrative allowance. The budget does not sweep funds from the UST Revolving Fund.

Signed by Governor Ducey on May 10.

**HB2613 – Regulatory Boards; Licensing; Revisions (Rep. Petersen)**

Eliminates state licensing for assayers, citrus fruit packers and drivers training instructors; permits BTR to continue licensing registered geologists but also allows trained geologists to practice in the state, if they meet statutory requirements, without licensure.

Signed by Governor on May 19.

**SB1487 – State Law; Local Violations; Penalties (Sen. Biggs)**

Allows a member of the legislature to ask the Attorney General to investigate official actions by local governments that the member alleges violates state law. If there is a violation, Attorney General then notifies local government unit and attempts to resolve the issue. If violation is unresolved after 30 days, State Treasurer must withhold and redistribute the state shared monies from the local government.

Signed by Governor on March 17. Chap. 35, Laws 2016.

**SCM1007 – Ozone Concentration Standard; Urging EPA (Sen. Griffin)**

Urges EPA to reinstate the previous ozone standard of 75 parts per billion.

Sent to Secretary of State on April 4.

**SCM1015 – Exceeding Authority; Urging Congress (Sen. Griffin)**

Urges US Congress to enact the Stopping EPA Overreach Act.

Sent to Secretary of State on March 30.

Below please find titles of the bills that APMA monitored during the 2016 session:

HB2036 – Human Trafficking; Signs; Rest Stops (Rep. Coleman)

HB2251 – Commercial Motor Vehicles (Rep. Gray)

SB1013 – Lottery Funding; LTAF; Restoration (Sen. Farley)

SB1256 – Drug Lab Remediation; Assayers; Repeal (Sen. Kavanagh)

SB1398 – Fuel Taxes; Streets & Highways (Sen. Griffin)

SB1422 – Board of Technical Registration; Omnibus (Sen. Yee)

SB1490 – Transportation Funding; Task Force (Sen. Worsley)

Below please find titles of the bills that APMA opposed during the 2016 session:

HB2177 – Paid Sick and Safe Time (Rep. Andrade)

HB2275 – Genetically Engineered Foods; Labeling (Rep. Mendez)

HB2407 – Hydraulic Fracturing; Prohibition (Rep. Mendez)

HB2408 – Auxiliary Containers; Regulation Prohibition; Repeal (Rep. Mendez)

HB2489 – Clean Fuels; Waiver; Implementation Plan (Rep. Bowers)

HB2491 – Gasoline Vapor Pressure; Seasonal Transition (Rep. Bowers)

HB2595 – Liquor Licenses; Tribal Land (Rep. Benally)

HB2684 – Climate Change; Study Committee (Rep. Plumlee)

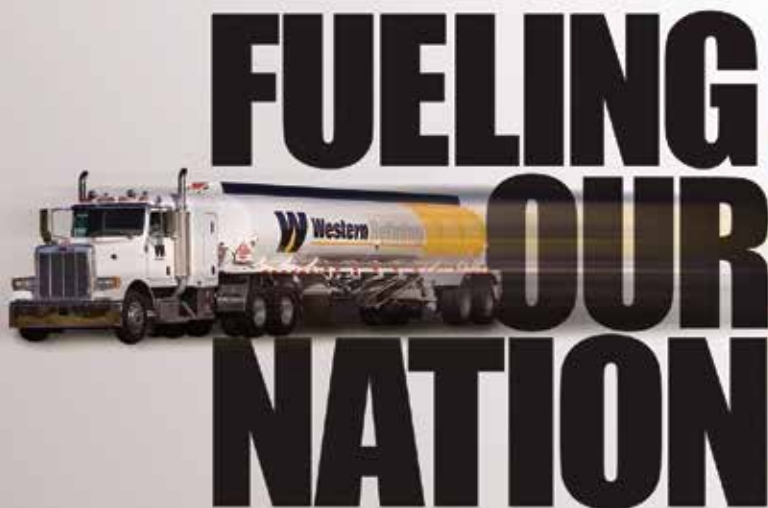
SB1012 – County Motor Vehicle Fuel Taxes (Sen. Farley)

SB1234 – Minimum Wage; Nonmonetary Compensation (Sen. Bradley)

SB1312 – Motor Fuel Taxes (Sen. Farley)

SB1384 – Fuel Taxes; Exemption; Navajo Reservation (Sen. Begay)

None of these bills were successful this year.



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