



August 21, 2012

Dear Council Member:

The minutes from our June 12, 2012 CAC meeting are attached. The next meeting will be our annual Neighborhood Eat & Meet held on **THURSDAY, SEPTEMBER 13, 2012** at the Northern Plains Resource Council "Home on the Range" building at 220 S. 27<sup>th</sup> Street.. The meeting will run from 5:00 to 7:30 p.m.

Sincerely,

Ann L. Clancy, Ph.D.  
Meeting Facilitator

**Meeting Location: ConocoPhillips Learning Center  
415 South 24<sup>th</sup> Street**

**PHILLIPS 66 COMPANY, BILLINGS REFINERY**  
**CITIZENS ADVISORY COUNCIL**  
**June 12, 2012**

**MEETING MINUTES**

**Present:** Council members: Ken Ard, Keith BearTusk, Bob Carr, Paul Dextras, Ralph Hanser, Joshua Juarez, Shirley McDermott, Paul Miller, Linda Pettengill, John Pulasky, Jim Ronquillo, Emily Schaffer, Dolores Terpstra, Richard Wilson  
ConocoPhillips management: Julian Stoll, Mark Hilbert, Randall Richert  
Facilitator: Ann Clancy

**Absent:** Steve Arveschoug, Brittany Blood, Gladys Stahl, Elizabeth Stears, Stella Ziegler

**Guests:** Travis Sloan, Phillips 66; Michelle Zahn, South Side Neighborhood Task Force

**AGENDA**

- Welcome/ Introductions
- Community Updates
- Refinery & Transportation Updates
- Update on Corporate Name Change
- Neighborhood Eat & Meet Planning Update
- Next Meeting Agenda: Neighborhood Eat & Meet, September 13

**WELCOME/INTRODUCTIONS**

The CAC welcomed guest Michelle Zahn, a member of the Southside Neighborhood Task Force who might be a possible replacement for Linda Pettengill, who will be rotating off in the fall.

**COMMUNITY UPDATES**

Richard Wilson reported that he has returned from a work project in South Korea where he was on a consulting job for ExxonMobil. He announced that he will be doing more work with ExxonMobil over the next year and wondered if that would pose a conflict of interest. He continues to be on the faculty of the COT Process Plant Technology Program, the constituency that he represents. It was agreed that his consulting work was not a conflict of interest. He reported that the COT graduated the largest class they've ever had in the process plant technology program – a total of 43. Phillips 66 Company has hired some of the graduates.

Linda Pettengill reported that the construction of a new gazebo in South Park should be completed by the end of June. Also the Southside Neighborhood Task Force will have a display table at the Thursday evening Gardner's Market, held at RiverStone Health parking lot.

Bob Carr reported that the Salvation Army will be partnering with Garfield Resource Council in offering sewing classes to grade school kids and offering other adult training classes. Jim Ronquillo reported that there will be an open house at Garfield and a tour in March 2013 as part of the March against Drugs event that Mike Yakawich, SSNTF chair, started. The march begins at the Courthouse lawn and has a police escort.

Jim Ronquillo reported that there will be a prescription pill round up at the Elks Club. The city has developed a plan to use a mobile trailer to travel twice a year and collect expired pill prescriptions. Last year, the city collected more than 400 pounds of outdated medications.

## **REFINERY UPDATE**

**Operations:** Julian Stoll reported that the market is depleted by products and there have been supply disruptions along with fuel shortages in the area.

**Safety:** The turnaround was completed and the refinery is back in business refining oil. There were no incidents or releases. To date, there have been four recordable injuries to contractors, not involving employees. Right now, the Billings Refinery has the worst safety record in the company. There was a fatality at a sister plant in Border, Texas—the loss of a Phillips 66 employee who fell to his death. Management is conducting investigations to learn all that it can from the incident. The company is returning to a predominant focus on worker safety.

**Environmental:** There have been 6 agency reportable events so far this year and the goal limit is 7.

**Workforce:** Julian reported a very difficult month in terms of refinery personnel matters. An internal audit revealed discrepancies in time worked and pay data among some supervisors and refinery workers. Refinery management was alerted that the data could not be reconciled. An investigation was conducted and interviews held and at the conclusion of the process it was decided that a group of workers be given the choice of leaving or being fired. A total of 24 workers left including one senior manager, two supervisors and 21 workers – about 10% of the workforce at the refinery. The company takes employee personnel policies, procedures and ethics very seriously with a “no tolerance” attitude. Julian stated it was a very regrettable situation that has damaged work performance and which had been occurring over time. The change has slowed work down since the maintenance department lost some experienced workers who were considered friends and colleagues by others in the workforce leaving employees upset. The company has a policy of not revealing information to the public that is based on personnel performance. In the short run, contract workers are being used. The company and the refinery union are taking positions on the firings.

On a happier note, Colin Franks will be the new Safety, Health and Environmental Manager replacing Reed Marton. He will be introduced to the CAC at the September Eat & Meet. He will be arriving in early July and is a seasoned refinery employee starting back in 1985 as an operator and bringing with him a rich environmental background.

### **Refinery Name Change**

Julian Stoll noted that at the time of the CAC retreat in January 2012, there were concerns about the scope and depth of the name change of the refinery. It was expected that the Conoco name would be eradicated which might be an emotional event for employees, former workers and members of the community. The change did not turn out to be so traumatic at the corporate level. Phillips 66 was able to retain all of its fuel brands including Union 76, Conoco, and Jet, among others. All of the gas stations are remaining the same and able to use Conoco logos and flags. Any signage with ConocoPhillips will need to change. These signs are found on fence lines and boiler stacks.

The company repositioning went into effect on May 1 and six weeks after that event finds business throughout the company quite normal, according to Julian. There appears to be no need to publicize historic records or establish museums to keep the history of the company alive as the most beloved and familiar names will continue to be used.

Julian played a corporate video and power point presentation about the corporate name change that was presented to all employees. The company also held town hall meetings. Officially, the company is no longer an integrated oil company. Phillips 66 is now an advantaged downstream energy company, with segment-leading Refining and Marketing (R&M), Midstream and Chemicals businesses. The company's R&M operations include 15 refineries with a net crude oil capacity of 2.2 million barrels per day, 10,000 branded marketing outlets, and 15,000 miles of pipeline systems. In Midstream, the company primarily conducts operations through its 50 percent interest in DCP Midstream, LLC, one of the largest natural gas gatherers and processors in the United States, with 7.2 billion cubic feet per day of gross natural gas processing capacity. Phillips 66's Chemicals business is conducted through its 50 percent interest in Chevron Phillips Chemical Company LLC, one of the world's top producers of olefins and polyolefins with more than 30 billion pounds of net annual chemicals processing capacity across its product lines. New company chairman and CEO is Greg Garland, who comes from Chevron. He is a chemical engineer with more than 30 years of industry experience in technical and executive leadership positions within the oil, natural gas and chemicals industries.

The Billings refinery is being considered for a heavy crude conversion project that was considered a number of years ago but then put on hold. The new unit would take crude oil and extrude lighter components and process the heavier ones into coke. If approved, the project would be completed in 2017.

In asking CAC members for any feedback on what they've heard from the community about the name change, the following comments were recorded:

- There is not much talk
- Both (Phillips 66 and Conoco) are known brands
- Stockpile the old signs

## **TRANSPORTATION UPDATE**

**Safety:** Mark Hilbert reported no recordable injuries for this year.

**Environmental:** Nothing to report again.

**Operations:** There have been 343 notification calls around right of way inquiries. That brings the annual total to 1275 to date. There has been a name change for the pipeline company as well. It will be known as Phillips 66 Pipeline, LLC. While it is wholly owned by Phillips 66, the company does stand alone. There is also a new website ([www.phillips66pipeline.com](http://www.phillips66pipeline.com)) with information on pipeline safety and updates on charges and tariffs. In terms of signage, all signs at the 12 terminals will be changed by the end of the year. After the ExxonMobil release in the Yellowstone River, a safety review council was set up and they recommended six action items that are available for public comment until June 27. Mark will forward the link to CAC members. Since that release event into the river, much time, effort and expense has gone into analyzing what has happened and gathering data for state and federal environmental agencies. All river crossings will be reviewed.

**Workforce:** In terms of personnel, an employee has been hired to deal with property tax and real estate. This adds another full time employee to act as a contact on right of way issues.

## **NEIGHBORHOOD EAT & MEET PLANNING UPDATE**

Ann Clancy and members of the Eat & Meet planning team presented the draft flyer and invitation letter to be sent out as well as agenda and draft survey. Some minor corrections were made. The following comments/decisions were made:

- Bike drawing recipients will be restricted to South Side residents/business owners
- The Local Sustainable Development scorecard will be introduced with some of the performance metrics – some made into poster size
- Order t-shirts or hats to distinguish the community and refinery members of the CAC
- Booths:
  - RiverStone Health would like to have a booth
  - Philanthropy P66 Company – display board
  - Internal refinery green program of recycling
  - Local sustainable development metrics
  - City recycling of hazardous materials (e.g., pill disposal)
  - Transportation: 811 number and pipeline maintenance

It was agreed to update the Eat & Meet survey to gather more pertinent information and to focus on what the CAC would like to send city officials as the summary of survey results. A question about philanthropy could be included and include a 4-point scale of strongly disagree to strongly agree for most questions. Some draft questions were generated:

- How are we perceived in the community? Doing well? Not well?
- Do you think Phillips 66 Company is truly making an effort to be green?
- Do you think Phillips 66 Company and the CAC are effectively communicating to the public?
- What would you like to know to feel more informed about the refinery?
- How do we fit into the community?
- Any comments/suggestions?

### **Next Meeting Agenda: September 13, 2012**

#### **Neighborhood Eat & Meet**

- Welcome & Introductions
- Community “Pathway to Green” Presentations
- Phillips 66 Billings Refinery “Pathway to Green” Presentations
- Survey Forms Distributed and Collected
- Brief CAC meeting (6:45-7:30 p.m.)