



Billings Refinery

March 25, 2014

Dear Council Member:

The minutes from our March 11, 2013 CAC meeting are attached. The next CAC meeting will be on **TUESDAY, APRIL 8, 2014** at the Phillips 66 Learning Center, our usual location. Dinner will be served from 5:00 to 5:30 and the meeting will run from 5:30 to 7:30 p.m.

Sincerely,

Ann L. Clancy, Ph.D.
Meeting Facilitator
Meeting Facilitator

Meeting Location:
Phillips 66 Learning Center
415 South 24th Street

PHILLIPS 66 BILLINGS REFINERY
CITIZENS ADVISORY COUNCIL
March 11, 2014

MEETING MINUTES

Present: Council members: Ken Ard, Bob Carr, Ralph Hanser, Joshua Juarez, Bruce MacIntyre, Paul Miller, Mark Pagano, John Pulasky, Emily Shaffer, Melanie Schwarz, Andrew Sullivan, Dolores Terpstra, Mike Yakawich, Michele Zahn
Phillips 66 management: Ray Rigdon, Colin Franks, Randall Richert,
Facilitator: Ann Clancy

Absent: Keith Beartusk, Paul Dextras, Mark Hilbert, Lance Johnson, Shirley McDermott, Jim Ronquillo, Stella Ziegler

Guests: Marcia Riley, Dean, City College
Florence Garcia, Associate Dean, City College
Melissa Patton, Administrative Assistant, Hanser's
Process Plant Technology Students: Lee McCaffrey, Jory Stevens, Roxsant Reichert, Nik Sinhold, Robert Ross, Tyler Noyes, Jake O'Toole, Zach Tallon, Tanner Klein, William Henrichs, Joseph Wyatt

AGENDA

- Welcome/Introductions
- Meet in the Park Subteam Update
- Tour of the Process Plant Technology Lab
- Community, Refinery & Transportation Updates
- Next Meeting: April 8

WELCOME/INTRODUCTIONS

The CAC meeting was held at City College. Dr. Mark Pagano, Provost, MSU-B and CAC member, welcomed guests and introduced Dr. Marcia Riley, Dean of City College; and Dr. Florence Garcia, Associate Dean of City College. Dr. Riley addressed the group, recognizing the Process Plant Technology Program students who were present and Andrew Sullivan for his work as instructor for the program and for his participation in research efforts benefitting the City College program. Andrew also welcomed guests and briefed them on the tour of the Process Plant Technology Lab. Colin Franks, HSE manager at the refinery, and Ray Rigdon, Refinery manager, both welcomed the guests on the behalf of Phillips 66 and thanked City College for hosting the CAC meeting.

Bruce MacIntyre, Billings Chamber of Commerce, was welcomed as a new CAC member representing business/economic development. Ralph Hanser, representative of small Southside business, introduced Melissa Patton, administrative assistant at Hanser's. Melissa will be an alternate representative for small Southside business to ensure representation when Ralph is unable to attend meetings.

Following introductions, there was a brief opportunity for questions and answers before the tour.

MEET IN THE PARK SUBTEAM UPDATE

Colin Franks reported on the highlights of the first Meet in the Park subteam meeting held on Monday, March 7.

- Two potential dates were suggested: September 4 or September 3
- The theme for the event will remain: YOUTH AND SCIENCE EDUCATION
- Fuddruckers will be approached again to be the caterer for the event
- It was decided not to do a participant survey but to have handouts of talking points for the CAC members and to create a handout for participants that identifies the organizations at the event and a map of their locations. Space could be left at the bottom of the handout for participant comments that could be turned in.
- The next planning meeting will be April 10 and will focus on the logistics of the event
- Most of same organizations will have tables or booths at the event as last year. Some suggestions were made of other organizations to include:

Local ER Planning Committee (LEPC)	<ul style="list-style-type: none"> • Theme of community safety • Chair of LEPC – Joe Marcotte, Billings Clinic • Committee meets monthly
Law Enforcement	<ul style="list-style-type: none"> • Billings Police Dept. • Sheriff's Dept. • Highway Patrol
Railroad Focus	<ul style="list-style-type: none"> • BSNF • Railroad Committee (call Candi Millar)
School District 2	<ul style="list-style-type: none"> • Perhaps focus on science education • Career center
HRDC	<ul style="list-style-type: none"> • Human Resources Development Council asked if they could be part of the event

PROCESS PLANT TECHNOLOGY LAB TOUR

The process plant technology tour involved the participation of 22 students, an all-time record that allowed for the operation of 10 physical pilot plants and several computer simulations. This tour was the most comprehensive showing of the Process Plant Technology lab over the years that the CAC has been visiting the lab. CAC members were able to tour the different demonstrations and engage with the students in conversation about the lab and their learnings. The following students and equipment/units were involved:

Students	Pilot Unit Operated
Chad Bernhardt	Reciprocating Pump
Nathan Dooley	Centrifugal Pump with Clear Case
Rancy Freeman	Reciprocating Pump
Chris Henrichs	Delta V (South Machine)
Trevor Krook	Amatrol Boiler / Steam Traps
Josiah Laszloffy	Large Distillation Unit
James Olson	Distillation Complex
Jack Purcell	Delta V (North Machine)
Parker Robinson	Steam Turbine (Outside)

Robert Ross	Conoco Tanks
Cody Shelmerdine	Large Distillation Unit
Michael Wilder	Conoco Tanks
Austin Wyss	Centrifugal Pump with Clear Case
Kolby Beadnell	Distillation Complex
William Henrichs	Limonene Steam Distillation
Tanner Klein	Limonene Steam Distillation
Justin Kostelecky	Amatrol Boiler / Steam Traps
Lee McCaffrey	Steam Turbine (Outside)
Tyler Noyes	Steam Turbine (Outside)
Jacob O'Toole	Steam Turbine (Outside)
Roxsand Reichert	Distillation Complex
Nik Sinhold	Delta V (North Machine)
Jory Stevens	Simtronics / Simulation Solutions
Zach Tallon	Limonene Steam Distillation
Joseph Wyatt	Amatrol Boiler / Steam Traps

COMMUNITY UPDATES

John Pulasky announced that he would be running for a seat in the State House this year in anticipation of the 2015 Legislative session.

Bruce MacIntyre, Billings Chamber of Commerce, and Melanie Schwarz, Big Sky Economic Development, reported on preparations for the Montana Energy 2014 conference and tradeshow on April 1-3. One of the highlights will be a job panel on energy job opportunities that would be of interest to the Process Plant Technology program students. A request has been made to waive the fee for students who'd like to attend. There will also be a social event which offers another opportunity for students to meet with vendors. The sponsors are expecting up to 450 vendors related to the energy field to attend as well as up to 300 participants.

Michele Zahn and Mike Yakawich announced the annual East egg hunt that will take place the Saturday before Easter in South Park. Up to 10,000 eggs will be hidden. Students from MSU-B will be helping out and Phillips 66 is a supporter of the event. Ralph Hanser reported that his business has acquired new equipment and added 7 new employees to bring the total to 110. Hanser's offers towing and recovery, environmental remediation, transmissions, automotive repair, quality recycled parts, and RV towing and repair. Emily Shaffer reported that there appear to be no recent efforts to resuscitate the North Park Neighborhood Task Force.

REFINERY UPDATE

Ray Rigdon reported on the refinery update:

Operations: The plant has managed to come through the winter thaw successfully. Operations are running well.

Safety: There has been just one safety incident in which a particle flew into an employee's eye, which was an OSHA recordable event. This is an exceptional record considering the long winter

with cold, ice and snow. Colin Franks introduced a new style of ice trekkers for employees to wear in the bad weather – cleats that attach to employee's footwear which have contributed to the exceptional safety record.

Environmental: The plant has made it through the deep freeze without any environmental incidences. The waste water treatment plant project should be completed in May.

People: The refinery has hired a new class of 12 operators and is hoping to hire another class later this year to replace transfers and retirements.

The following comments/questions were made by CAC members and guests:

- *How many new hires at the refinery were from the Process Plant Technology program?* There were a few former military hires but otherwise not sure if any in the class of 12 came from the program. There will be two interns this summer.
- *The tough winter has impacted the energy industry all over the U.S.* In addition to the bad weather in the north, there was freezing in the south. There were a number of plant shutdowns. Home heating oil increased in cost, due in large part to the weather and increased demand, especially in the northeast. The refinery was curtailed this winter in terms of its natural gas use which in turn leads to less propane to sell to the public. One of Phillips 66 refineries in Linden, New Jersey near NYC had to burn all propane. Sales for #1 diesel, such as jet fuel, went very high.
- *In terms of overall gas and oil production in the world, aren't the oil and gas companies just one step ahead of reserves?* Fortunately, there have been technology innovations just when it has seemed that global production was decreasing, such as extensive use of fracking processes. It is estimated that oil and gas reserves are still about 100 years out. There are places in Europe, Russia and the U.S. that have shale. The U.S. is leading the way and within a few years could become a net exporter of oil. Also more efforts are being made to conserve energy which could slow consumption down.
- *Is fracking used in the field?* All oil from fracking is very light whereas the refineries in Billings are geared for heavy crude oil.
- *Where does the Bell Creek oil go in southeastern Montana?* One of the projects the Billings refinery is completing is a crude oil truck unloading facility to handle small volumes of this type of oil. Refineries in Oklahoma and Texas refine West Texas Intermediate, a sweet and sour crude. The sour crude used in the Billings refinery comes from Canada through the Glacier Pipeline.

TRANSPORTATION UPDATE

There was no update as Mark Hilbert was unable to attend the meeting.

NEXT MEETING: APRIL 8

- Welcome/Introductions
- Update on City Planning Efforts
- Presentation on Billings Refinery Inspection & Public Safety
- Community Updates
- Refinery & Transportation Updates
- Next Meeting Agenda: May 13 – Refinery Tour