



October 22, 2010

Dear Council Member:

The minutes from the October 12 CAC meeting are attached. The next CAC meeting will be on **TUESDAY, NOVEMBER 9,** beginning with dinner at 5:00 p.m. The meeting will run from 5:30 to 7:30 p.m.

Sincerely,

Ann L. Clancy, Ph.D.
Meeting Facilitator

Meeting Location: ConocoPhillips Learning Center
415 South 24th Street

CONOCOPHILLIPS BILLINGS REFINERY
CITIZENS ADVISORY COUNCIL
October 12, 2010

MEETING MINUTES

Present: Council members: Ken Ard, Steve Arveschoug, Brittany Blood, Bob Carr, Paul Dextras, Hillary Harris, Linda Pettengill, John Pulasky, Emily Schaffer, Richard Wilson, Elizabeth Stears, Connie Wardell, Ernie Woods Stella Ziegler
ConocoPhillips management: Steve Steach, Reed Marton, Mark Hilbert
Facilitator: Ann Clancy

Absent: Keith Bear Tusk, Shirley McDermott, Jim Ronquillo, Gladys Stahl, Alice Stears

AGENDA

- Welcome/Introductions/Announcements
- Honoring Connie Wardell
- Update on Billings Refinery Philanthropic & Community Support
- Debrief Neighborhood Eat & Meet Event
- Review of Membership Constituencies
- Update on Coke Drum Project
- Refinery & Transportation Updates
- Meeting agenda for November 9 CAC meeting

WELCOME/ANNOUNCEMENTS

Brittany Blood, new Senior High school student representative, was introduced. Elizabeth Stears, also a new Senior High school student, was welcomed back to her second CAC meeting.

Hillary Harris reported on the status of the RiverStone Health construction project. The new building is completed and will house administrative offices and some public health departments. The move into the new building begins on Friday, October 15. There will be renovations to the older Clinic building beginning next year. The second floor will be renovated to handle medical services including expanded capacity for dental services. These construction and renovation projects are designed to bring all services of RiverStone Health to one location with the exception of outlying clinics.

Bob Carr announced a Halloween event taking place at Garfield School on October 29 co-sponsored by ConocoPhillips, Garfield Community Resource Center and Kids on Campus at MSU-B. He distributed a flyer and thanked ConocoPhillips for the refinery's support of the community.

Ken Ard reported that a sidewalk improvements project is underway along Jackson Street south of Orchard Elementary School.

Honoring Connie Wardell

Steve Steach honored Connie Wardell for her 5.5 years of service to the CAC. He listed the many causes and organizations she has volunteered for over the years.

UPDATE ON BILLINGS REFINERY PHILANTHROPIC PROGRAM

Travis Sloan, Finance and P.R. Manager at the Billings refinery, gave a presentation on ConocoPhillips corporate philanthropic philosophy and strategy and he reported on the Billings refinery's 2010 funding levels for community projects.

Philosophy & Strategy

ConocoPhillips invests in programs that provide sustainable community development; benefit stakeholders; are aligned with strategic business objectives; and are consistent with the company's core values. Corporate contributions include both cash and non-cash gifts. The philanthropic strategy is focused on pro-actively supporting sustainable development; helping create a skilled, stable and highly motivated workforce by contributing to educational programs in the areas of math, science and youth enrichment; providing employee opportunities to make meaningful contributions to the community; and building capacity, not dependency, on those who benefit from contributions.

Categories of contributions include:

- Education & youth
- Industrial safety & environment
- Health & social services
- Civic & arts

Corporate funding includes any donations greater than \$10,000 in support of a qualified organization and all United way contributions of any amount. Timing for application submittal is May through July of each calendar year. Website: <http://www.conocophillips.com>.

Billings Refinery Philanthropy

Organizations eligible for funding must be one of the following:

- Non-profit with 501(c)(3) designation
- School
- County, parish, state, municipality, city/town sponsored
- Police or fire department

The organization which applies is required to have some or all of the following characteristics: sustainable development, relevance, involvement, innovation, concentration, accountability, attainability, comprehensive, capacity building and leverage.

The following do not qualify for contributions: individuals; sectarian religious organizations; political organizations or candidates; promotional marketing or advertising; company executives; organizations without the 501(c)(3) designation; individual teams, bands or groups for trips and travel; alumni and fraternal associations; specific disease-related programs (except for key community infrastructure needs); endowments; and memberships in business, trade or professional organizations.

Employee Support Programs

Employees at the refinery are encouraged to be involved in public service, charitable causes, youth projects and cultural activities. To support this involvement, there are three different support programs available:

- *Employee Volunteer Grant Program* in which grants can be applied for by organizations in which at least one refinery employee is involved in an “hands-on” role
- *Corporate Volunteer Grants Program* in which employees can apply for a capital improvement grant or a planning grant
- *Corporate Gift Matching Program* in which employee donations to 501(c)(3) organizations are matched

Refinery Philanthropic Budget

The Billings refinery can approve donations of less than \$10,000 in support of a qualified organization. Timing for application is May through July of each calendar year for the funding to occur the following year. The website is: <http://www.conocophillips.com>. This year the level of donations made by the refinery is up \$5000 from the year before.

2010 Billings Refinery Contributions

This year’s budget of \$177,500 is made up of 54% local and 46% corporate funds and benefits about 90 local organizations. Distribution of funds so far this year has been: 50% education and youth (e.g., Montana Audubon, Billings Public Schools), 35% health and social services (e.g. Food Bank, Battered Women’s Facility), 7% civic and arts (e.g., Yellowstone Art Museum, Billings Studio Theater), 6% industrial safety and environmental (e.g., Billings LEPC training), and 2% yet to be determined.

The following CAC discussion items, comments, and suggestions about the program were recorded:

- The Employee Volunteer Grant Program is underutilized now
- Refinery retirees can also access the Employee Volunteer Grant Program
- Paul Dextras complimented the refinery for its donations to the Billings Fire Dept., especially for leading edge technology in training programs and in equipment
- Bob Carr complimented the refinery for its donations to the Garfield Community Resource Center and the South Side
- Brittany Blood and Elizabeth Stears asked about refinery support for auditorium upgrades at Senior High School
- The two scholarships made available to the Process Plant Technology Program at the COT are included in this year’s refinery contributions

Action Items:

- CAC members are encouraged to remind any ConocoPhillips employees who are volunteers in their organizations that they can apply for funds for the community projects they are involved in
- Steve Steach noted that the refinery needs to send a notice out to employees reminding them of the Employee Volunteer Grant Program
- Brittany Blood and Elizabeth Stears have been empowered to act as a conduit between Senior High and the refinery regarding possible donations for upgrading aspects of the school auditorium. As a member of the School Board, Connie Wardell offered to provide information about the estimated cost of improvements to the Senior High School auditorium and to send those to Travis Sloan (travis.r.sloan@conocophillips.com).

DEBRIEF OF NEIGHBORHOOD EAT & MEET

Survey Results

Ann Clancy shared the collated survey results from the 2010 Neighborhood Eat & Meet. There were 34 completed surveys. The majority of attendees were local residents and they heard about the event primarily through word of mouth and from the flyers and mailings that were mailed or dropped off. The best features were considered to be good food, good social meeting, appropriate length and content of presentations and the opportunity to learn and have questions answered. There were only a few comments regarding content not being relevant and not enough community participation. It was agreed that there was more of a shared perspective this year that the event and presentations were more effective, timely and relevant. CAC members found the Garfield Community Resource Center to be a great facility for the event; it was comfortable, roomy and gave participants the opportunity to visit a community resource. CAC members felt this was the best Eat & Meet event to date and that the ratio of residents attending was higher than previous years. In addition, more City Council members attended.

The following questions and comments were recorded from the surveys about the general information presented:

Questions

- How to get the MSU-B COT as part of Yellowstone Boy's and Girl's Ranch work transition skills program?
- How to get other businesses involved? Look for more business interaction to help support the community.
- [How] about jobs for people who have gotten laid off? No work for them.
- How many Billings and surrounding area students have graduated from the COT and, of those, how many have been hired by ConocoPhillips?
- How to get jobs at ConocoPhillips?
- How many jobs are there going to be for our community?
- Who do we contact to make donations to MSU-B's work at Garfield?

Comments

- Garfield/Conoco needs to combat obesity in our neighborhood.

- Interesting content but not sure what the main reason was. If it was meant to be a general overview, then it was great.
- Thank you for your interest in Billings and Southside residents and programs.
- The information was interesting and enlightening.
- As a local resident, this event gave me the chance to learn more about ConocoPhillips and the community as a whole.

The following questions, suggestions and comments were recorded from the surveys regarding ConocoPhillips and its communication with the community:

Questions

- Timeline for coker/turnaround? Backup plan?
- Tonight on YPR (radio) at 7-8 pm, there is to be a presentation on transportation coordination in Montana. Are you a part of this? Can you/we be?
- Will the refinery be expanding beyond its current footprint?

Suggestions

- Please provide more info about sirens and testing. Please try to alert community when testing occurs.
- We all need more meetings about what we are doing for the Southside. I live one block from the ConocoPhillips refinery.
- More meetings and larger groups.
- Keep sponsoring these sessions. Increase involvement from local Southside businesses.
- More meetings with the community. Invite as guests to CAC meetings.
- Newsletter for all businesses and residents in Billings' area.

Comments

- Thank you for accurate news reports also in regard to ConocoPhillips progress/safety reports.
- Appreciate your grant program and work (funding) provided to non-profit programs, youth and families.
- The air quality is somewhat bad.
- Keep up the good work. Safety is so important.
- We appreciate the community involvement Conoco provides.
- We at Southside Senior Center really appreciate the support that they extend to our Center.

2011 Neighborhood Eat & Meet

Hillary Harris informed CAC members that she has already gained approval for the Neighborhood Eat & Meet to be held in the new RiverStone Health building in fall of 2011. The theme of health care would give the refinery an opportunity to share its focus on wellness and its emergency response capability including Emergency Medical Technician certifications as well as other employees with specialized training in rescue and first aid. It would also provide MSU's College of Technology an opportunity to promote its Paramedic and Nursing programs. It was agreed to serve "healthy" food at the 2011 event.

Action Item

It was agreed that the answers or responses to the questions above asked by participants at the Eat & Meet be sent in a second mailing to participants

Letter to Mayor and City Council

Ann Clancy distributed a draft letter to the mayor and city council members thanking them for their participation and reporting to them on some of the results of the Eat & Meet survey. The following suggestions were made:

- Thank the city council members who attended for their support
- Ask them if they would be willing to participate in the planning and support of the 2011 Eat & Meet at RiverStone Health
- Tell them the refinery will be sending out a second mailing to participants to respond to the questions collated from the surveys (e.g., sire, emissions, how to get jobs, how many COT grads are employed by ConocoPhillips)

Action Item

Send out a second mailing to participant list from the Neighborhood Eat & Meet

REVIEW OF MEMBERSHIP CONSTITUENCIES

Membership constituencies were discussed, in particular environmental group, Triangle resident, and South Side Small Business.

- *Environmental group constituency:* A replacement group for Yellowstone Valley Citizens Council (YVCC) was discussed as the idea was raised that it does not appear to have the viability as an environmental group that it once did. It was suggested that Montana Conservation Roundtable, Montana Conservation Voters, Rim Institute or Montana Audubon be considered as a replacement. Ann Clancy, Stella Ziegler, Connie Wardell and Linda Pettengill all volunteered to explore options. Ann will contact former CAC member, Dr. Susan Gilbertz at MSU-B, for a suggestion.
- *Triangle resident:* An effort will be made to find someone in the immediate area around the refinery and, failing that, the constituency will need to be changed or deleted. Ann will contact Jim Ronquillo and Linda Pettengill for ideas.
- *South Side Small Business:* Ann will contact Bruce McIntyre at the Billings Chamber of Commerce for suggestions. The post office was mentioned as a possibility for a large South Side business constituency which did exist when the CAC was first established in 1990.

REFINERY UPDATE

Update on Coke Drum Project

Steve Steach reported that ConocoPhillips wants to use US Highway 12 in Idaho to move four coke drums — large pressure vessels that refineries use to make gasoline and coke — to its operations in Billings. The Idaho Supreme Court is reviewing whether ConocoPhillips may use the route after a district court judge in August blocked shipments following a lawsuit by local residents along the route in Idaho.

On October 1, the Idaho Supreme Court heard arguments from attorneys representing the plaintiffs, ConocoPhillips and the Idaho Department of Transportation. Subsequently, ConocoPhillips requested an expedited notice from Court of their decision (ahead of their written decision), in order to make transportation decisions before weather or other conditions preclude the transport of four coke drums across the already surveyed and traffic-plan-evaluated route provided over US Highway 12. Steve reported that ConocoPhillips and its agent, Emmert International, have been working with Idaho transportation officials for the past 5 years to meet all logistical qualifications.

Billings Refinery Annual Five-Year Review

Steve Steach reported on a presentation he made at the corporate level on October 7 focusing on an annual five year review of the refinery. Steve summarized that the refinery is improving its competitive position in a traditionally strong U.S. market; continuing to focus on safety and achieving OSHA's Voluntary Protection Program (VPP) star award (certified safety program); reducing energy use and improving fractionation; and preparing for the 2011 turnaround, new coke drum installation and transition to a four-year turnaround cycle.

TRANSPORTATION UPDATE

Safety: Mark Hilbert reported that so far 2010 has been a good year for safety. At the end of August, the company had accumulated two million safe man-hours.

Operations: The Billings office responded to 345 calls in September for a total so far this year of over 2800 calls from the public. Most calls are about excavation permits. Of the calls, 67% required an action response on the part of the company.

Next Meeting Agenda – November 9, 2010

- Update on East Billings Urban Renewal District
- Legislative Issues Report
- Update on Sustainability Scorecard
- Report on Coke Drum Project
- Update on 2011 Refinery Turnaround Preparations
- Refinery & Transportation Updates
- Next meeting: December 14