



# Billings Refinery

December 31, 2015

Dear Council Member:

Please find attached a copy of the minutes from our **December 8, 2015** CAC 25<sup>th</sup> Anniversary Celebration.

Just a reminder that the next CAC meeting will be our annual retreat session on **SATURDAY, JANUARY 30, 2016** at the Rex Restaurant. The meeting will run from 9:00 a.m. to 1:30 p.m. Continental breakfast and lunch will be included.

Sincerely,

Ann L. Clancy, Ph.D.  
Meeting Facilitator

**Next Meeting Location: January 30 Retreat Session  
The Rex Restaurant  
2401 Montana Ave.**

**PHILLIPS 66 BILLINGS REFINERY  
CITIZENS ADVISORY COUNCIL  
December 8, 2015**

**MEETING MINUTES**

- Present:** Council members: Keith Beartusk, Lucas Blehm, Bob Carr, Paul Dextras, Ralph Hanser, Travis Harris, Bob Hoar, Bruce MacIntyre, Shirley McDermott, Eileen Morris, Melanie Schwarz, Emily Shaffer, Andrew Sullivan, Mike Yakawich, Michelle Zahn, Stella Ziegler  
Phillips 66 management: Colin Franks, Shea Dawson, Mark Cohn, Justin Meachum, Mark Hilbert  
Facilitator: Ann Clancy
- Absent:** Lance Johnson, Gregory Neill, Melissa Patton, John Pulasky, Ray Rigdon, Jim Ronquillo
- Guests:** Past CAC members and their guests including Larry Bean, YVCC Chair & Alicia Pettys, Field Organizer, Northern Plain Resource Council (26)  
County Commissioners: Bill Kennedy, John Ostlund, Jim Reno  
RMC President: Bob Wilmouth  
MSU-B Dean, College of Business: Barbara Wheeling  
Billings School District #2 Superintendent: Terry Bouck  
Billings Police Dept.: Captain R.D. Harper, Patrol  
City College PPTP Students: Joseph Wyatt, Jesse Brockschmidt, Shelby Eckart, Mikayla Nielsen, Dayton Willoughby, Justin Hengelfelt, Michael Baker, Austin Pickering, Austin Wyss, Hunter Maddox, Brenton Buerkley

**AGENDA**

- Welcome/Introductions
- CAC History & Accomplishments
- CAC Member Comments
- Panel Discussion
  - John Beaudry, Stillwater Mining Company
  - Molly Schwend, Cloud Peak Energy
  - Colin Franks & Shea Dawson, Phillips 66
- Next CAC Meeting: January 30, 2016

**WELCOME/INTRODUCTIONS**

Colin Franks welcomed guests and past/current CAC members. There were 76 in total who were present to celebrate the 25<sup>th</sup> anniversary of the Citizens Advisory Council which was held at the Billings Petroleum Club in the Crowne Plaza Hotel downtown.

The evening began with a buffet dinner followed by a presentation on the history and major accomplishments of the CAC over the past 25 years; comments by three CAC members; and a panel discussion featuring John Beaudry with Stillwater Mining Company, Molly Schwend with Cloud Peak Energy, and Colin Franks and Shea Dawson with Phillips 66.

Melanie Schwarz, current CAC member representing Economic Development, was the emcee for the evening.

## **CAC HISTORY & ACCOMPLISHMENTS**

Ann Clancy, CAC facilitator, reviewed the history and some major accomplishments of the CAC over the past 25 years:

- The CAC has continued under three different company names over 25 years: Conoco, ConocoPhillips and Phillips 66
- How the CAC was formed:
  - Idea for Citizen Advisory Councils was announced as one of nine environmental initiatives by Conoco's CEO in April 1990
  - Spring 1990, Billings Conoco Refinery hired Dr. Joe Floyd, Sociologist with MSU-B, to conduct a Social Impact Assessment around construction of coker unit; one of ideas from the assessment was to establish a stakeholder council
  - On November 5, 1990 the first CAC meeting was held at Billings refinery – 11 members present
- The CAC Mission has been: *Establish and maintain an open and honest dialogue between our communities and Phillips 66 in order to act upon issues in an atmosphere of trust, respect and collaboration*
- The CAC has focused its role in three primary areas: Be a conduit to the community, an advisory group, and be a support to Phillips 66 refinery
- Some CAC statistics:
  - Total number of members served/serving: 165+
  - Total number of refinery managers: 10
  - The following constituencies have held steady over most of the 25 years: Agriculture, City College-Process Plant Tech Program, Economic Development, Secondary & Higher Education, Environmental Group (YVCC), Health Care, Local Government/Elected Official, Members-at-Large, North Park & Southside Neighborhood Task Forces, Refinery Union, Seniors, Small South Side Business, High School & College Students, Triangle Area Residents
- Some major accomplishments over 25 years:
  - Meet in the Park/Neighborhood Eat & Meet for 15 years: Started as a way to facilitate street improvements in the area around the refinery (completed in 2007) and now a major event in South Park with 450+ participants, 28 vendors, & lots of student volunteers
  - Supported Gateway Business Park Plan to develop the area around the refinery (2001-2010)
  - Developed a unique local Sustainable Development Scorecard for the Billings refinery
  - Encouraged refinery beautification efforts resulting in berms along the interstate and development of a multi-year refinery beautification plan
  - Conducted community forums, open houses, and refinery tours
  - Solicited input from the community via surveys
  - Sent information to 7,000 South Side residents regarding "shelter in place"
  - Encouraged the refinery to partner with City of Billings in a used motor oil program
  - Spent a number of years providing community feedback on development of Risk Management plans for the refinery
  - In early years, hosted discussions on air quality issues from multiple perspectives
  - Brought DuPont environmental education packets into School District #2

- Hosted annual panel discussions on a wide array of topics from the interface of agriculture with energy to the current impact of dropping oil prices
- Some CAC recognition & awards:
  - EPA Clean Air Excellence Award for Education & Outreach 2005, nominated by CAC Member Candy Millar
  - Council Member Jim Hartung participated in a nationwide panel of 20 judges for the DuPont Safety, Health & Environmental Excellence Awards in 1998
- CAC “desired state” agreed upon since 2003:
  - An advisory group that effectively represents constituencies, interacts with stakeholders, and understands community concerns and perspective on issues
  - From both inside and outside, foster perceptions that the CAC is recognized as an important advisory group for Phillips 66
  - *The future state effectiveness of the CAC depends on:* Trust existing between the CAC and local Phillips 66 leadership; Phillips 66 presenting business issues to the CAC, which is objective, independent, questions and challenges while providing feedback; the CAC is representative of community perspectives; and the CAC raises issues of concern to Phillips 66, working them to resolution.

## **CAC MEMBER COMMENTS**

Three CAC members volunteered to share some brief comments about the value they saw in being CAC members. They were Eileen Morris, a current and founding member of the CAC representing the environmental group Yellowstone Citizens Advisory Council; Joseph Wyatt, currently a business student at MSU-B and graduate of the Process Plant Technology Program at City College; and Paul Dextras, Billings Fire Chief, who represents local government.

## **PANEL DISCUSSION ON COMMUNITY DIALOGUE AND OUTREACH**

Bob Carr, CAC member-at-large, moderated the panel discussion featuring John Beaudry with Stillwater Mining Company; Molly Schwend with Cloud Peak Energy; and Colin Franks and Shea Dawson with Phillips 66. Their responses to each of the questions are listed below:

- **Overall: What would you like to share specifically in terms of your outreach to the community?**
  - John: At Stillwater Mining Company, we have developed the Good Neighbor Agreement, a partnership with Stillwater and Sweet Grass counties. The agreement was signed in 2000 to extend protection beyond state requirements to protect land, water and area communities. It is legally binding and establishes a process for citizens to regularly meet with company representatives to address and prevent problems related to mining impacts, reclamation, wildlife, and other issues. It also sets aside conservation easements and participates in independent environmental audits. It provides for citizen oversight of mining operations to make sure the area’s quality of life is ensured.
  - Molly: As a coal company, Cloud Peak Energy wants to get knowledge out to the community about what’s not seen because of the nature of its mining operations. The company feels strongly about its relationship to the Billings community. It produces about 18 million tons of low sulfur coal at its Spring Creek mine located near Decker, Montana.

- Colin: The refinery has a lot of avenues to reach out to the community but the CAC is a huge part. We develop an agenda for the year and bring in community concerns/issues/suggestions. It is the most important and effective way for us to reach out to the community. It works because of the people on the CAC who want to get involved; they are our biggest asset.
- **Safety: How do you engage the community in your safety preparedness & awareness?**
  - John: Stillwater is an underground mine with about 1400 employees. Safety is our top priority and we deal with the hazards of mining internally with training but also by connecting to the outside community. Our employees are involved in the community and serve as volunteers. A notable example was our involvement in the 2006 Derby Fire which involved coordination among state and federal agencies. We lent equipment, provided meals for the displaced, and offered emergency services for both counties.
  - Molly: Similarly, our own emergency training team works with local fire departments and goes to regional competitions. We start every meeting with safety awareness. A lot of our miners have to travel so we pay for weather updates. We always include our safety record when advertising about the mine.
  - Colin: The CAC is one of our avenues for communicating safety to the community. We have folks on the CAC like Fire Chief Paul Dextras. The refinery also participates in local drills and passes out information about our plant alarm systems at community gatherings like the Meet in the Park event we held in September. We consider that we need to earn the right to do business in the community.
- **Employment: How do you handle recruiting and retaining employees in the region?**
  - John: We advertise on our website and the internet, and we recruit through Job Service and from City College and Montana Tech, the colleges who provide the type of training our employees need. In terms of maintaining employees, we have to be aware of refineries that have “raided” us for skilled employees. There are two mines and a smelting refinery in Columbus.
  - Molly: We recruit through the internet and through our relationship with six different university systems, two of them in Montana – Montana Tech and MSU. We are able to keep engineers. We are looking for trends in employment now, and reach out to operator training in Miles City and City College in Billings.
  - Colin: The CAC provides us with support in this area. In our annual retreat for the past two years, we have identified a Youth and Education theme as a message to the community to inform and educate on what’s needed to work at the refinery. We do most of our recruiting through City College and we offer those students scholarships and internships as well. We participate in job fairs. We are aware that a lot of young people leave the Billings area so we are trying to be a job option to stay in the area. At the annual Meet in the Park community event, we provide information to young people and their parents about skills needed to work in the refinery.
  - Shea: In terms of retention, we foster a culture of training, development and safety in our company. We empower our employees to do their jobs. Retention is a huge challenge across the country as the workforce ages.
- **Environment: What are some of your best practices in communicating with the community regarding environmental issues and concerns?**

- John: We have developed a culture sensitive to environmental concerns and have a high quality environmental department that adheres to state and federal regulations and is science based in its knowledge. There are tunnels under the Stillwater River that are very sensitive and we collaborate with the Northern Plains Resource Council and the Cottonwood Resource Council to ensure a high quality of life that includes clean air and water and abundant wildlife. The Good Neighbor Agreement and working with these councils provides us with a forum to involve the surrounding communities. We are expanding the mine to the east and there are specific issues to resolve related to that.
- Molly: Our biggest challenge in interacting with the community is that we geographically are so far away from everyone. Only recently has the coal industry come under the microscope in terms of responding to citizen concerns and focusing on reclamation. We are engaged in a lot of reclamation and we are trying to get our engineers out to give tours and presentations. We want to educate on what strip mining involves and the level of reclamation that follows. We are now seeing long-term results from reclamation efforts, so we need to share this level of environmental stewardship. We are almost more of a reclamation company than a mining company. The mining is the easy part and we need to explain that better to the community.
- Colin: The mindset in the refinery is focused on three main areas: earning the ability and getting the permission to operate in an environmentally sound manner. We are able to do outreach through the CAC and we report all environmental incidences at our monthly meetings. We also use the Meet in the Park event to tell the community what we do in terms of outreach and education.
- **Philanthropy: When you choose an area to engage in, how do you put a long term perspective on that? Looking at corporate vs. local giving, how do you balance that?**
  - John: We've had a formal charitable donation program since the mid-1990's and one of our five areas of focus is education. We offer about 100 scholarships. We donate to School District #2, City College, and MSU-B Foundation endowment. We contribute to youth programs in five counties surrounding and/or related to the mine. We fund a display at ZooMontana and help fund playgrounds, parks, museums and cultural events like the Blues Fest in downtown Billings, the Symphony and rodeos. We support emergency services and search and rescue efforts in areas like Absarokee and Big Timber. After the Derby Fire near Reed Point, we donated new chain saws to the volunteer fire department replace the burned ones.
  - Molly: We have different community giving areas. We have a corporate office in Denver, Colorado where major gifts are given to large national organizations. We also provide philanthropy in Gillette, Buffalo and Sheridan, Wyoming; in Billings, such as for Billings Family Services; at Crow Agency and with the Crow Tribe partnership; at mine locations; and wherever there are mining families. Even though the majority of our workers come from Wyoming, we still put funds into Montana such as supporting Saint Vincent's and the Billings Depot restoration. Added to that are all the volunteer hours that our employees contribute to their communities.
  - Shea: We provide philanthropy in a number of areas: safety, environmental, education and civic enrichment. In terms of Safety, we contribute to the Billings Fire Department and the emergency services telecommunication system. Our environmental support includes the Yellowstone River development project. In education, we have provided funding for a stem project, Leap Away, for

elementary and middle schools, which is a sophisticated curriculum and technology for classrooms that foster critical thinking. We have more than 200 nonprofits that we give to in Billings. We also have a robust volunteer program for our employees where corporate will match their hours and money contributed. We are currently wrapping up our United Way campaign for the Day of Caring.

- **Opportunities/Challenges: What do you find most successful in your community outreach efforts? What do you find challenging or confounding in sustaining effective community involvement?**
  - John: Our Good Neighbor Agreement is the most noted of our outreach efforts and it involves a lot of community groups and governmental agencies. It is a four-party agreement. There are 500 nonprofits in Yellowstone County which are both an opportunity and a challenge. Our geography is a challenge.
  - Molly: We have the state of Montana and just me as the person focused on the many requests that come from all the different cities and areas of the state. Our goal is to provide support for a group for 3-5 years and then to move on to another group so that we can spread our support around the state. We have committees establish to help guide us.
  - Colin: A challenge is making sure we understand what the community thinks and the CAC continues to be a great avenue for that. But there are a lot of other folks out there. Doing this panel tonight allows us to share ideas and learn and see what other industry-community groups are doing to continually improve.
  - Shea: The CAC has had a great 25 years, but our challenge is not to cry victory but to stay dynamic with the industry, responsive to the issues that come up, and to keep the community engaged and informed and working to mutual benefit.

Bob Carr summarized some of the key points of the panel discussion and thanked everyone for sharing. Colin concluded the evening celebration by remarking on how inspiring it was to see CAC members attending who were there at the beginning sitting alongside current members and students. He recognized the countless hours that members have contributed through the CAC and thanked those present for serving the community and the refinery over all these years.

## **NEXT MEETING: 2016 Retreat Session**

**January 30, 2016**

**Location: Rex Restaurant**