

**PHILLIPS 66 BILLINGS REFINERY
CITIZENS ADVISORY COUNCIL
February 11, 2014**

MEETING MINUTES

- Present:** Council members: Ken Ard, Keith Beartusk, Bob Carr, Paul Dextras, Paul Miller, Mark Pagano, John Pulasky, Emily Schaffer, Melanie Schwarz, Andrew Sullivan, Mike Yakawich, Michele Zahn, Stella Ziegler
Phillips 66 management: Ray Rigdon, Colin Franks, Randall Richert, Mark Hilbert
Facilitator: Ann Clancy
- Absent:** Ralph Hanser, Lance Johnson, Joshua Juarez, Shirley McDermott, Jim Ronquillo, Dolores Terpstra
- Guests:** Dr. Luke Ward, Director of Environmental Management & Policy Program, Rocky Mountain College
Process Plant Technology Students. Justin Kostelecky, Roxsard Reichert

AGENDA

- Welcome/Introductions
- Rocky Mountain College Opportunities 2014
- Finalizing 2014 CAC Activities & Goals
- Community, Refinery & Transportation Updates
- Next Meeting. March 11, 2014 at City College

WELCOME/INTRODUCTIONS

Dr. Luke Ward was introduced. He is a professor and Director of the Environmental Management & Policy Program at Rocky Mountain College. He will be speaking about opportunities for connections between Rocky Mountain College environmental programs and students and the Billings refinery. Two Process Plant Technology students were also present. Justin Kostelecky and Roxsard Reichert. Mike Yakawich, a consultant and newly-elected Ward 2 City Council member, was introduced as the replacement for Jim Ronquillo who at his term's end vacated the CAC constituency of elected public official. This was Mike's first meeting as a new CAC member.

Honoring Steve Arveschoug

Colin Franks and Ray Rigdon thanked CAC member Steve Arveschoug, Executive Director, Big Sky Economic Development (BSED), with a plaque honoring him for his 5 years of service on the Council. They expressed gratitude and praise for his contributions over the years as a representative for the Economic Development constituency. He is replaced by Melanie Schwarz, who is Member Investment Director at BSED.

ROCKY MOUNTAIN COLLEGE OPPORTUNITIES IN 2014

CAC member John Pulasky introduced Dr. Luke Ward, professor and Director of the Environmental Management & Policy Program at Rocky Mountain College (RMC). Luke explained that the Environmental Management & Policy program engages students in

interdisciplinary coursework, unique field-work, internships, and service-learning opportunities in the Yellowstone River watershed. Luke, a geographer by training, is also a faculty member of the Yellowstone River Research Center (YRRC), a multidisciplinary research institute composed of geologists, ecologists, wildlife biologists, geographers and social scientists at Rocky Mountain College. The center involves undergraduate students in environmental projects.

Luke wanted to follow up on his visit to the CAC retreat session in January to talk about three opportunities he suggests for establishing a connection between Phillips 66 refinery and CAC and RMC:

- Having a Phillips 66 representative serve on the Yellowstone River Research Center (YRRC) steering committee
- Developing ways to involve the CAC in the 2014 Yellowstone River Clean-Up
- Identifying research questions/programs of interest to Phillips 66 and the YRRC

He accessed the YRCC website to show CAC members what the institute is involved in. He described YRCC as unique because all the research must be relevant to the Yellowstone River watershed, it is strongly supported by diverse faculty members, and the steering committee is cross-disciplinary in its make-up including members of the community. Its primary purpose is to guide the direction of the student research on the Yellowstone River watershed. He asked if someone from Phillips 66 would be interested in serving on the steering committee. Randall Richert was suggested as a possible nominee. Luke also explained the student grant program which offers up to \$3500 for a research project, free living quarters on campus, and matching funds. The research reports are posted online and are published. Most of the research projects are conducted in the summer. The steering committee meets once or twice a year to evaluate research proposals and select the ones to be funded.

Luke talked about the Yellowstone River Clean-Up which will take place mid-September for one full day (8 to 5) and will focus on the river area between Duck Creek and Coulson. The goal of the event is to keep cleaning stretches of the river by involving community members and generating interest and commitment to supporting a healthy river system. He asked for CAC members and Phillips 66 employees to volunteer to be part of this effort in 2014. There will be a wide range of activities/tasks to choose from: driving shuttle vehicles, manning the shore, providing water transportation, doing cleaning efforts from the boats, etc. All volunteers are provided lunch and gloves.

Finally, Luke asked the CAC and Phillips 66 for any information, ideas or guidance on research questions or programs of interest for students. He noted that ExxonMobil has allowed student research on its fish ponds and osprey nests.

CAC members asked a couple of questions:

- *Is YRCC a non-profit entity?* Yes, it is a 501C3 non-profit under Rocky Mountain College.
- *Has anything been researched on the historic use of Yellowstone River?* We've been talking with an historian about that but nothing has been done so far. That would be a very interesting research project.

FINALIZING 2014 CAC ACTIVITIES & ACTIVITIES

| Projects for 2014 | Timelines/Actions |
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| <p>CAC Theme for 2014: <i>Focus on Youth</i></p> <ul style="list-style-type: none"> • Leverage youth theme with City College students • Explore a CAC Facebook page with help of students • Increase K-12 education about industry jobs, e g , to Native American population and home schoolers • Offer more refinery tours to 7th graders, include homeschoolers • Contact high school clubs Robotics Club, Tech Ed at Junior High • Interact with other organizations in town that work with youth & job opportunities • Target younger reps to visit specific CAC meetings Bring high school students to meetings to visit (get credit for coming and reporting back, get mentored by CAC) | <p><u>Timeline:</u> Meet as a team in March or April to determine opportunities & CAC focus for 2014 regarding focus on youth</p> <p><u>Team</u> John Pulasky, Keith Bear Tusk, Andy Sullivan, Roxsard Richert, Colin Franks, Ann Clancy</p> |
| <p>City College Connection/Site Visit</p> <ul style="list-style-type: none"> • Onsite visit in March 2014, invite new class of students • Keep inviting students to CAC meetings • Encourage students to have a bigger presence at Meet in Park event • Encourage students to attend energy expos in 2014 First one April 1, 2014 Cost for student tickets discounted 50% | <p><u>Timeline</u> March 11 CAC Mtg</p> <p><u>Responsible</u> Andy Sullivan, Ann Clancy</p> |
| <p>Rocky Mountain College Connection</p> <ul style="list-style-type: none"> • CAC & Phillips 66 focus on 3 areas <ul style="list-style-type: none"> ○ Select a P66 representative serve on the Yellowstone River Research Center steering committee ○ Develop ways to involve CAC in Yellowstone River clean up in the fall ○ Identify research questions/programs of interest to P66 & the YRCC • Have RMC students attend CAC meetings | <p><u>Timeline</u> Team meeting in March or April Report to CAC - TBD</p> <p><u>Responsible/Team</u> John Pulasky, Colin Franks, Mark Hilbert, Randall Richert, Ann Clancy, Luke Ward (RMC)</p> |
| <p>Presentations: Update on City Planning Efforts</p> <ul style="list-style-type: none"> • Bring in City speakers (Candy Millar & Dave Mumford) to cover following topics city planning & growth, zoning, water planning & management, sewer management, waste water treatment plant • Add RMC river management? | <p><u>Timeline:</u> April 8 CAC Mtg</p> <p><u>Responsible:</u> Ken Ard, Ann Clancy, Luke Ward, P66</p> |
| <p>Billings Refinery Inspection & Public Safety Refinery chief inspector presents on latest technology and processes used to inspect refinery units to ensure public safety</p> | <p><u>Timeline:</u> April 8 CAC Mtg.</p> <p><u>Responsible</u> P66</p> |
| <p>Meet in the Park Planning (Ongoing)</p> <ul style="list-style-type: none"> • Have team meetings in March, April, May, June, August | <p><u>Timeline:</u> April 8 CAC mtg – 1st</p> |

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| <ul style="list-style-type: none"> • Set a date in September for event • Repeat & expand community involvement on what was offered in 2013 (door to door flyers) • Develop more partnerships (more displays, tables) • Encourage City College students to have a bigger presence at Meet in Park event | <p>team report <u>Team</u> Colin Franks, Paul Dextras, Bob Carr, John Pulasky, Michele Zahn, Emily Shaffer, Randall Richert, Ray Rigdon, Roxsard Reichert, Ann Clancy</p> |
| <p>Refinery tour for CAC members and Students</p> <ul style="list-style-type: none"> • Design for CAC members & students • Have options of van and walking tours in small groups (up to 20 for walking tour) • Invite up to 10 students | <p><u>Timeline:</u> May 13 CAC Mtg</p> <p><u>Responsible</u> P66</p> |
| <p>Presentation: MPI Perspective on Regional Energy Development</p> <ul style="list-style-type: none"> • Dave Galt, Director of Montana Petroleum Institute, presents on where energy development is happening in the region, what exploration is going on, where the energy industry, especially oil, is heading in the region • CAC members can invite guests, students welcome | <p><u>Timeline:</u> June 10 CAC Mtg.</p> <p><u>Responsible</u> P66</p> |
| <p>Meet in the Park Event</p> <ul style="list-style-type: none"> • Repeat & expand community involvement on what was offered in 2013 (door to door flyers) • Develop more partnerships (more displays, tables) • Encourage City College students to have a bigger presence at Meet in Park event | <p><u>Timeline:</u> September date - TBD <u>Team</u> Colin Franks, Paul Dextras, Bob Carr, John Pulasky, Michele Zahn, Emily Shaffer, Randall Richert, Ray Rigdon, Roxsard Reichert, Ann Clancy</p> |
| <p>Panel Discussion: Link between Agriculture & Energy Industries</p> <ul style="list-style-type: none"> • Refining & agriculture market at corporate level (e.g., tractors all petroleum based) • Ethanol production – North Dakota • Jupiter Sulfur makes fertilizer (Howard Baker??) • Biodiesel beginning to grow | <p><u>Timeline</u> October 14 CAC Mtg. Meet as a team in March or April <u>Team.</u> John Pulasky, Mark Hilbert, Keith Bear Tusk, Ann Clancy</p> |
| <p>Presentation: Billings Refinery & Community ER & Disaster Planning Process</p> <ul style="list-style-type: none"> • Billings emergency/disaster response capability Mutual aid, security • Regional Hazmat team: Refinery & Billings Fire Dept • Track history of technology improvement of ER responses | <p><u>Timeline</u> November 11 CAC Mtg.</p> <p><u>Responsible</u> Paul Dextras, Colin Franks</p> |
| <p>Panel Discussion: Refinery Leadership Team</p> <ul style="list-style-type: none"> • Have Refinery Leadership Team members explain how they work as a team to lead the refinery | <p><u>Timeline:</u> December 9 CAC Mtg. <u>Responsible</u> P66</p> |
| <p>Update on Refinery Workforce & Diversity Efforts</p> | <p><u>Timeline:</u> December 9 CAC Mtg.</p> |

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| Updates on workforce issues & workforce diversity at refinery (e g , targeting of Native Americans) | <u>Responsible</u> Melanie Russell, P66 Billings Refinery HR Director |
| Maintain & Update Local Sustainable Development Scorecard <ul style="list-style-type: none"> • Present this as part of community outreach efforts • Keep CAC updated annually | <u>Timeline:</u> Update Mtg. - TBD <u>Responsible:</u> Randall Richert & Josh Juarez |
| Explore Connection with Other Citizen Councils <ul style="list-style-type: none"> • Visit/connect with other CACs in the region • Explore ExxonMobil's citizens' group • Update CAC | <u>Timeline:</u> Team to meet in March or April <u>Team</u> Bob Carr, Melanie Schwarz, Ann Clancy |
| Consider Planning for Celebration of 25 years of CAC in 2015 | <u>Timeline:</u> June 10 CAC Mtg. discussion <u>Responsible</u> Ann Clancy |
| Improve/Enhance CAC Meetings <ul style="list-style-type: none"> • Refinery updates every meeting to include operations, safety, environmental, people (including philanthropy reports, labor relations) • Transportation updates every meeting to include operations, safety, environmental, people • Community updates every meeting • Add a Chamber representative under Business/Economic Development constituency • Encourage CAC member presentations • P66 could ask CAC members to accompany them when they give community presentations | <u>Timeline:</u> Ongoing 2014 <u>Responsible</u> Ann Clancy/CAC <u>Ideas:</u> -Have P66 and some members of CAC come to City Council and present (Mike Yakawich) -Promote a phone tree for outreach to the neighborhood, could promote at Meet in Park event -Get more information out to the neighbors regarding "what if " scenarios, etc |

2014 CAC TIMELINE

| Month | Activities |
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| February 11 | Completed 2014 Planning Process |
| March 11 | City College Onsite Visit & Tour <ul style="list-style-type: none"> • <i>Community, Refinery & Transportation Updates</i> |
| <i>March 19</i> | <i>Billings Jobs Jamboree, Job Service</i> |
| <i>April 1</i> | <i>Energy Expo – Big Sky Economic Development</i> |
| April 8 | Presentation Update on City Planning Efforts Presentation Billings Refinery Inspection & Public Safety <ul style="list-style-type: none"> • <i>Meet in Park Team Report</i> • <i>Community, Refinery & Transportation Updates</i> |
| <i>April 12</i> | <i>Chicks in Science Event, MSU-B</i> |

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| May 13 | Refinery Tour for CAC Members & Students <ul style="list-style-type: none"> • <i>Community, Refinery & Transportation Updates</i> |
| June 10 | Presentation Perspective on Regional Energy Development by Dave Galt, Montana Petroleum Institute <ul style="list-style-type: none"> • <i>Planning Discussion for 25th Anniversary of CAC in 2015</i> • <i>Meet in Park Team Update</i> • <i>Community, Refinery & Transportation Updates</i> |
| <i>July</i> | <i>No CAC meetings</i> |
| <i>August</i> | <i>No CAC meetings</i> |
| September TBD | Meet in the Park Event in South Park |
| <i>Mid-September</i> | <i>Yellowstone River Clean-Up, CAC & P66 participation</i> |
| October 14 | Panel Discussion Link between Agriculture & Energy Industries <ul style="list-style-type: none"> • <i>Community, Refinery & Transportation Updates</i> |
| November 11 | Presentation Billings Refinery & Community ER & Disaster Response Planning Process <ul style="list-style-type: none"> • <i>Community, Refinery & Transportation Updates</i> |
| December 9 | Panel Discussion Refinery Leadership Team Update on Refinery Workforce & Diversity Efforts <ul style="list-style-type: none"> • <i>Community, Refinery & Transportation Updates</i> |

COMMUNITY UPDATES

Ken Ard with the City of Billings reported on road improvement projects around the city including reconstruction on Calhoun St , work on the South Side sewer Phase I project, an overlay on Montana Ave , dealing with water drainage issues, and conducting further construction on the inner belt loop He stated that the wastewater treatment plant had an electrical failure which shut down part of the plant for a day It's undergoing electrical upgrades

Melanie Schwarz with Big Sky Economic Development reported on early stages in planning an industrial park project noting three sites have been selected to choose from She also described two major initiatives she will be working on this year. workforce development/training and a health care summit in July. Emily Shaffer reported that there is talk of the North Park Neighborhood Task Force being restarted this year.

REFINERY UPDATE

Ray Rigdon reported on the refinery update:

Operations: The plant has been running well despite the extremely cold weather. The diesel hydrotreater unit, installed in 2006, has never been through such cold weather so it is being inspected and monitored carefully.

Safety. There was one safety incident in which a particle flew into an employee's eye. The employee is fine but it was an OSHA recordable event

Environmental: There have been a few freeze-ups with controls but otherwise there have been no environmental incidences.

People: The current labor contract expires January 31, 2015 so work will begin this year on negotiations. To date, there are no local issues so attention will most likely be on issues at the national level. The refinery is interviewing and hiring for 15 new operators due in part to upcoming retirements.

TRANSPORTATION UPDATE

Mark Hilbert reported on the transportation update:

Operations: All is running well Volume is down this time of year as well as the number of One-calls and ROWs so “boring is good ” ExxonMobil refinery has had some outages which have resulted in a slowdown in running batches of crude oil Cold weather does not really affect the pipelines as ground temperature is warmer than the air At the truck loading facilities, additives are applied and loading is managed differently in the cold weather

Safety. The safety record continues to be great

Environmental: There were no incidences to report

NEXT MEETING: MARCH 11

LOCATION: CITY COLLEGE

- Welcome/Introductions
- Opening Remarks – City College
- Finalizing CAC 2014 Goals & Timeline
- Community Updates
- Refinery & Transportation Updates
- Tour of the Process Plant Technology Lab
- Next Meeting Agenda: April 8