



Billings Refinery

March 7, 2016

Dear Council Member:

Please find attached a copy of the minutes from our **February 16, 2016** CAC meeting.

Just a reminder that the next CAC meeting will be **TUESDAY, MARCH 8, 2016** at the Phillips 66 Learning Center. The meeting will run from 5:30 to 7:30 p.m. Dinner will be served from 5:00 to 5:30 p.m.

Sincerely,

Ann L. Clancy, Ph.D.
Meeting Facilitator

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

**PHILLIPS 66 BILLINGS REFINERY
CITIZENS ADVISORY COUNCIL
February 16, 2016**

MEETING MINUTES

- Present:** Council members: Paul Dextras, Travis Harris, Rob Lowe, Jim Ronquillo, Melanie Schwarz, Emily Shaffer, Andrew Sullivan, Michelle Zahn
Phillips 66 management: Ray Rigdon, Colin Franks
Midstream: Mark Hilbert
Facilitator: Ann Clancy
- Absent:** Keith Beartusk, Lucas Blehm, Ralph Hanser, Bob Hoar, Lance Johnson, Bruce MacIntyre, Shirley McDermott, Gregory Neill, John Pulasky, Mike Yakawich, Stella Ziegler
- Guests:** College of Technology students: Alex Songstad, Dayton Willoughby, Brett Melius
 YVCC representatives: Becky Bird, Heather Schwab

AGENDA

- Welcome/Introductions
- Finalize CAC 2016 Strategic Plan
- Community, Refinery, Midstream/Transportation Updates
- *Refinery Philanthropy Update (Unable to present)*
- Next CAC Meeting: March 8, 2016

WELCOME/INTRODUCTIONS

Three students from the City College PPTP were welcomed – Alex Songstad, Dayton Willoughby, and Brett Melius – as were two representatives from Yellowstone Valley Citizens Council, Becky Bird and Heather Schwab.

FINALIZING CAC 2016 STRATEGIC PLAN

The following suggestions, comments and action items were agreed upon.

Note: The March 8 agenda is different than what was discussed at the February meeting. No City planner was available on March 8 to talk about the impact of city growth.

2016 STRATEGIC ITEMS	Timing/Actions
Annual Theme: Focus on Youth & Education	Ongoing 2016
Refinery Update on Workforce & Diversity Efforts Refinery Philanthropy Update for 2015-2016	Date: March 8 mtg. Action: P66
City College Presentation/Panel at Refinery Learning Center <ul style="list-style-type: none"> • Refinery 101 presentation including a focus on alternate fuels like biodiesel & ethanol 	Date: April 12 mtg. Action: Andy Sullivan & students

<ul style="list-style-type: none"> • Focus on what's happening in Montana around biodiesel & ethanol & renewable resources that look more like petrol products • Provide some general information about PPTP and other programs 	
Refinery Tour <ul style="list-style-type: none"> • Tour for City College students & CAC members • Focus of tour on construction sites and what's changed • Briefing before the tour describing new processes coming to refinery, some basic Refinery 101, show time lapse photos of construction at refinery 	Date: May 10 mtg. Action: P66
Midstream Operations Tour <ul style="list-style-type: none"> • Tour of crude oil terminal, truck rack, pipeline station • Tour with 3 groups beginning with half-hour presentation 	Date: June 14 mtg. Action: Mark Hilbert
Meet in Park Community Event <ul style="list-style-type: none"> • Continue youth involvement • Include more booths & businesses 	Date: September 8 Action: Subteam required
Workforce Panel Discussion <ul style="list-style-type: none"> • Skills of the workforce, future needs (include power plants, growth of Billings) • Billings Works project 	Date: October 11 Action: Subteam required
Regional & Local Oil Economic Impacts - Panel Discussion <ul style="list-style-type: none"> • Regional & local impact of oil economics • Impact of Jupiter Sulphur plant • Include BSED representative, STEM, MSU-B 	Date: November 8 Action: Subteam required
State Legislative Update for 2017 & Impact of National Election <ul style="list-style-type: none"> • Bring Alan Olson as presenter, new MPI director • Legislative & election updates, Bruce MacIntyre, Chamber of Commerce 	Date: December 13 Action: Bruce & Alan
Action Items	Timing/Actions
Monthly Updates <ul style="list-style-type: none"> • Detail on vacuum project & turnaround plans 2016 & 2017 • Future expansion options for refinery 	Ongoing updates Action: P66
Add Security Phone Number (DONE) <ul style="list-style-type: none"> • Add tag on end of recorded refinery call to inform callers of a security phone number to call with questions & concerns 	Action: P66 CAC members make known to residents
Refinery Diorama Training Tool <ul style="list-style-type: none"> • Create 3-D model with charts & audio of total oil industry operation from well to fuel pump to be displayed at events such as Meet in Park 	Multi-year project Action: Andy Sullivan, John Pulasky & City College students in collaboration with refinery
Solicit CAC Feedback <ul style="list-style-type: none"> • Ongoing effort to solicit feedback/concerns of residents 	Date: Ongoing Action: P66 & CAC
Communication Subteam <ul style="list-style-type: none"> • Newsletter/website/community communication; ways of communication as to how to do better and improve 2-way 	Action: Establish subteam

<ul style="list-style-type: none"> • Provide feedback on media interaction: More? Less? CAC help market (ads & website) • Share PSA's about the refinery & CAC • Improve media connection to CAC story – Gazette article 	
Pending Items	Timing/Actions
Impact of Billings Growth – Panel Discussion <ul style="list-style-type: none"> • Panel with DBA, Chamber, EDA, homeless • City Planning Dept., Candi Millar, update on tax increment districts • Downtown Business Association (Greg & Lisa) 	Date: TBD Action: Subteam required
Continue Building Connections with Citizen-Industry Groups	Action: Reconvene subteam
Local Sustainable Scorecard <ul style="list-style-type: none"> • Update & compare with other refineries if possible 	Date: TBD Action: Colin
Partnership with School District 2 <ul style="list-style-type: none"> • To help with early exposure to science & technology 	Action: TBD

COMMUNITY UPDATES

The following updates were given:

- The annual South Park Easter Egg hunt was announced and any donations are welcome. Michele Zahn is the contact for donations. It was acknowledged that Phillips 66 has been a great supporter of the event.
- South Side Neighborhood Task Force meetings are held the third Thursday of the month at the new addition to the Friendship House at 7:00 p.m.
- City construction projects include street maintenance on Orchard Lane this year and wrapping up the Eastside project and storm drains around the refinery. In March the city will be working on sewer rehab around the sugar beet factory area.
- The North Park Neighborhood Task Force is now having regular meetings on the first Tuesday of the month.
- Economic development news includes:
 - A Montana legislative subcommittee has halted its work on tracking the federal Clean Power Plan following the U.S. Supreme Court decision that put the plan on hold
 - Billings Flying Service Inc., a long-time maintenance and service company with 7 civilian-owned Chinook helicopters, is proposing to move its operations from south of Billings to west of the airport
 - The CFO for General Electric acknowledged the importance of GE Capital in Billings. The company is winding down its operations following a recent sale of commercial lending and leasing assets to Wells Fargo. CEO Jeff Bornstein participated in a recent conference call with the MT congressional delegation as well as Gov. Bullock and Billings business leaders. BSED owns the \$9 million building on Hesper Road and BSED Director Steve Arveschoug said they should know more from EG within a few months.

- The Northern Plains Resource Council (NPRC) and Yellowstone Valley Citizens Council (YVCC) both have a focus on sustainability and are interested in purchasing the property on which the now decommissioned Corette coal-fired plant is located. The purchase would be in coalition with other organizations to negotiate an area for multiple use that would beautify the I-90 corridor and better connect the City's bike/pedestrian trail system.
- MasterLube will be sponsoring the annual Rad Grad Day on May 14, a fundraiser to support local high schools which in the past has netted up to \$60,000.
- The Billings Fire Department news includes:
 - The Dept. has a new 100-foot platform aerial ladder truck which will be housed at Fire Station 1 located on Eighth Ave. N. It will go into service once engineers have experience driving it.
 - The Dept. will be adding 13 new firefighters in March and a new assistant training officer.
 - The Dept. is involved in labor negotiations and the annual budget process.
 - A buy-sell offer has been made on property for a new 911 center at the corner of 9th and 24th. The City has \$1.3 million in a reserve account for constructing the facility.

REFINERY UPDATE

Operations: Prices are down worldwide for gasoline, diesel and crude oil. Margins are down across oil markets. The outlook for 2016 is continued low oil prices and into 2017 before there is a recovery. Phillips 66 as a company is impacted but not to a great extent. The Billings refinery continues planning for the new vacuum unit upgrade with more than \$400 million that will be spent by June 2017. There are also \$100 million worth of project upgrades planned for the Jupiter plant, owned 50 percent by Phillips 66, in support of the refinery. In the next month, vacuum towers in the refinery should begin to be visible from the road. The FCC unit was down but has been repaired. In April, another gas reformer unit will be down for a turnaround this year.

Safety: There have been no recorded injuries so far this year.

Environmental: There are no incidents to report. End of last year, the refinery purchased two new fire suppression pump tenders.

People: The refinery is beginning to staff up for the turnaround in 2017. There have been a lot of retirements in the past few years. About 60 percent of refinery workers now have less than five years of experience.

MIDSTREAM/TRANSPORTATION UPDATE

Operations: Midstream is being directly impacted by lower gas and oil prices. It's been a warm winter and there is a small increase in the number of 811 calls (96 so far this year) of people wanting to do work around pipelines. There was one operational upset at a diesel tank feeding into the railroad at Laurel. An operator made a wrong switch and put some gasoline into a diesel product pipeline which contaminated that part of the pipeline and put it out of service till reconverted. The mixed product was returned to the refinery to be re-processed. Another project has been relocating an aviation fuel truck loading bay next to the refinery to better serve customers. It will start up in March.

Safety: There are no incidences to report.

Environmental: There are no incidents to report.

NEXT MEETING: March 8, 2016

Location: Phillips 66 Learning Center

- Welcome/Introductions
- Update on Refinery Workforce & Diversity Efforts
- Refinery Philanthropy Update for 2015-2016
- Finalizing CAC 2016 Strategic Plan
- Community, Refinery & Midstream Updates
- Next Meeting: April 12, 2016