I. CALL TO ORDER – (13) - The meeting was called to order at 9:02 a.m. (CT) by Chairman Morelock.

II. INTRODUCTIONS AND ANNOUNCEMENTS – (15) - Board members present: Brian Morelock; Dr. DominicCanonico; Eugene Robinson and Dave Baughman. Ed Vance; Dr. Glen Cunningham; Department of Labor and Workforce Development employees in attendance: Sam Chapman; Carolyn Sherrod; Kim Jefferson; Sydné Ewell; Deborah Rhone; Neil Jackson; guests present: Eddie Lunn, Jr; Jeremy Gross; Richard Eng; Thomas Kastenberger; Dieter Weidhans Lisa Williams and Vincent Finamore.

Chairman Morelock makes the announcement that in the event of an emergency or natural disaster, security personnel would take attendees to a safe place in the building or direct them to exit the building on the Rosa Parks side.

(28) David Baughman notes the signing of the annual Conflict of Interest forms by the Board. The Board is then instructed to read and sign forms for submission to the Board Acting Secretary.

III. ADOPTION OF AGENDA – (36) – Ed Vance motioned to adopt the agenda which was properly seconded by Eugene Robinson.

IV. APPROVAL OF OCTOBER 16, 2013 MEETING MINUTES – (43) - It was motioned by Ed Vance and seconded by Eugene Robinson to accept the minutes. Chairman Morelock noted (2) corrections (the result of poor audibility) of the minutes which were provided for the Assistant Secretary. The call for the vote showed the Board’s approval of the minutes of the October 16, 2013 meeting.
V. CHIEF’S REPORT – (86) – Assistant Chief Chapman’s report reflects data from October – November 2013

- Four thousand six hundred eighty-nine (4,689) total inspections performed.
- A total of two thousand six hundred thirty-four (2,634) total delinquents.
- Twenty (20) violations found.
- Six (6) uncorrected code violations.
- Eight (8) quality control reviews performed.
- Three (3) boiler variance inspections performed.

VI. OLD BUSINESS - (73)

None

VII. NEW BUSINESS (74)

13-05 – 75 – Valero Memphis Refinery; 2385 Riverport Road; Memphis, Tennessee 38109; 2013 Risk Based Inspection Program Status Review Report. The members were presented a copy of the Valero report which they reviewed in conjunction with the presentation by Jeremy Gross. Jeremy points out that the Risk Based Inspection program continues to be active at the Valero Memphis Refinery:

- Conducting inspections per the risk assessments
- “Evergreen” activities to keep the RBI program current
- Adding newly commissioned equipment to the RBI program
- Improvements in the software used to maintain the RBI program. Currently using PCMS (Plant Condition Monitoring Software).

Key activities related to the program in 2013 were:

- Valero continues to maintain an active Risk Based Inspection program utilizing good engineering practices
- Inspections are planned and put in the maintenance schedule per the assigned damage mechanism
- Results are documented and next inspections scheduled utilizing the RBI software
- Seven (7) process units will be taken out of service for a maintenance outage in 2014
- During the outage, inspection activities will be executed on (172) pieces of fixed equipment (44) relief valves and other maintenance activities within the refinery
- Jeremy Gross reported (77) internal inspections, (136) external inspections, (29) CUI inspections and (315) jurisdictional inspections.
- The jurisdictional inspections are maintained up to date but will be handled separately from the RBI program
- All equipment has a detailed inspection plan with a risk ranking for each damaged mechanism
Activities to address issues discovered during inspection may include replacement of equipment, repairs and increased inspection frequencies.

Risk based inspection activities completed in 2013 reduced risk level on (626) circuits.

- **(159)** Dr. Canonico states that fifty (50) percent of dangers are due to human error and poses the question if this is factored in in any way? Jeremy Gross replies that operating envelope windows that are put into our operating procedures in the operations department detailing steps execute we also do process hazard analysis on our units which are conducted every (3) years and documented and execute corrective actions if there are conditions afoul.

- **(170)** David Baughman asked what types of items rise to the level of very high risk? Your report states (3) items…do those have personnel implications as far as danger to employees. What exactly does high risk mean?

- **(174)** Jeremy Gross explains that a high risk vessel could be a potentially old piece of equipment that damaged mechanisms were inspected for. Our inspection frequencies are "very tight". Valero also considers that the “end of life” is approaching so the replacement of some of this equipment is scheduled. Three (3) vessels will be replaced in 2014 from the high level category.

- **(188)** Chairman Morelock explains to Dr. Cunningham (newest Board member) that NBIC has service interval calculations based on the remaining life of the vessel and this factors into his calculations as well. So personnel safety is factored into this characterization.

- **(219)** Chairman explains to the visiting audience that the reason Jeremy Gross is presenting this report on behalf of Valero Memphis Refinery is because Tennessee law Chapter 68, Title 122 specifies (6) limits on inspections of unfired pressure vessels as well as boilers. The law also states that based upon Board approval those inspection intervals may be increased based upon respective inspection methods. Chairman Morelock explains that public safety and a more effective inspection process are enhanced. Non corrosive vessels do not need to be inspected every (2) years.

- **(232)** Chairman Morelock calls for a motion to accept Mr. Gross’ report. The motion to accept is made by Dr. Canonico and seconded by Eugene Robinson. The Board votes their approval.

**VIII. OPEN DISCUSSION ITEMS (247)**

- **(254)** **Boiler Safety Fall Conference** – Chairman Morelock offers that the re-instatement of the Fall Conference is a work in progress based upon discussion during previous meetings and asks if Assistant Chief Chapman will provide more information at the March 5, 2014 meeting.

- **(260)** Chairman Morelock further explained for the benefit of the visitors that the Board is looking at the possibility of reinstituting the Fall Conference which was highly successful in the past. Steps are being taken to ensure
that all state requirements are met in order to host this conference. He further explained that he believes a good plan is in place to make this happen. No date has been discussed.

(270) Variance Fees – Chairman Morelock explains that this item as presented to the Board by former Chief Bryan takes a look at the establishment of a fee schedule to be utilized when a company comes before the State of Tennessee requesting a boiler variance (whether it be a new variance or a variance renewal) to cover the inspector’s cost and the state’s cost for processing the variance. Development work on this item is still preliminary but is underway to development some verbiage and a process to add a fee schedule. This item is also still a “work in progress”.

(285) Administrator Jefferson poses the question as to whether the Board has put together proposed ideas for the establishment a fee schedule or are you deferring to the Department?

(288) Chairman Morelock answers that the item was presented by the Department and they are developing that draft fee schedule and once it is assembled the item will have to be brought before the Board in open meeting forum so visitors (especially those who will be affected by the fee schedule) can voice any concerns. Presently there is no draft…..it is only under development.

(297) Attorney Ewell offers that there is no statutory authority for a variance fee. This is something that would probably have to be presented to Administrator Jefferson and in turn to Commissioner Phillips.

(327) Neil Jackson explains that the inspections as performed by the inspectors would be covered by these fees. It is a preliminary procedure to set the groundwork and with the company requesting a variance. The fee would go up to and include the Board’s approval or rejection of the variance fee and it would be based upon the fact that it’s a process and if the Board doesn’t approve the variance, the company would still have to pay the variance fee. This fee would cover the introduction of the variance to the Board. The inspection itself is paid for by the company when their program meets that compliance.

(349) Eugene Robinson asks if it would be appropriate to say that this is an application fee to which Neil Jackson replies no as no application is submitted.

(363) Chairman Morelock interjects that former Chief Bryan had looked at other jurisdictions and realized that other jurisdictions do charge a variance fee helping to make that boiler division more self-sufficient.

(376) Eddie Lunn poses the question as to whether the variance fee is for any variance? Chairman Morelock replies that it is just for a boiler variance from the (20) minute rule. The variance fees will be boiler variance specific.

(389) Moving Code Requirements Into Tennessee Rules – Chairman Morelock explains that this item addresses the Tennessee Rules as posted on the website. Everyone may not be proficient with all the boiler codes
involved with the construction, installation, inspection, repair and operation of boilers and pressure vessels. We are not seeking to print the code into the rules, we would make reference to those specific code requirements for anyone who would read the rules. This is another item that was being developed by former Chief Bryan. Chairman Morelock asks and Assistant Chief Chapman replies that this is also an item that is still being worked on.

(416) **Realigning State rules for ease of use by installers and owners** – Chairman Morelock states that installers and owners appear before the Board with questions when they look into a specific section of the rules thinking that they are in total compliance, they have neglected to read the entire set of rules. We are considering (not changing the rules) but take the existing text and realign it so that when someone reaches a certain section they will have a comprehensive view of what they need to do to comply with the Tennessee rules as well as the law. Chairman Morelock states that again this is another item under development by the Boiler Unit.

(430) Attorney Ewell adds that having contacted the Secretary of State’s Office to see if the Board will have to go through the rulemaking process or if it would come from say the Chief’s desk or stakeholders.

(447) **Licensing of boiler operators** – Dr. Canonico expresses he has been in conversation with NBIC and was in regarding conducting a class on the proper licensing of boiler operators. The NBIC is not interested in providing this training at this time. Dr. Canonico was informed that there are companies/organizations available to provide such training.

(509) Eugene Robinson asks if it would benefit the Board to contact Shelby County to inquire as what they are doing? They certify their boiler operators. However, they are a separate entity from the State of Tennessee. Possibly we could implement the same program across the state and become a bit more consistent. Dr. Canonico expresses his agreement.

(609) Chairman Morelock asks that information be drafted by the March meeting for the Board to review. Any Board member who wants to collaborate on an item can do so….no voting just a collaboration to develop the item. The item will go on the agenda and then be presented in a public forum and voted on so that the public would have the opportunity to see that the item is coming up and address it.

(620) Administrator Jefferson questions if the Board wants a public forum before we see if the Department wants to proceed? She suggests that a draft could be presented to the Board in March and if you deem that the draft is satisfactory the Board can vote and then it can go to the Commissioner.

(679) David Baughman agrees that this will give some qualification to those people who are serving as boiler operators and adds that in the future he would like to have a discussion on qualifying companies on installing boilers as in his opinion the two go hand-in-hand.
IX. RULE CASES & INTERPRETATIONS (719) – There were no rule cases and interpretations.

X. THE NEXT BOARD OF BOILER RULES MEETING (730) - is scheduled for 9:00 a.m. (CT), Wednesday, March 5, 2014 at the Department of Labor & Workforce Development office building located at 220 French Landing Drive, Nashville, TN.

XI. ADJOURNMENT – (733) – After a motion by Dr. Cunningham for adjournment and a second from Ed Vance the meeting was adjourned.