



# Northwest San Pedro Neighborhood Council

"Your Community Voice"

December 3, 2011

Carmen Trutanich  
City Attorney  
200 N. Main St.  
Los Angeles, CA 90012

**Diana Nave**  
President

**John Mavar**  
Vice President

**Craig Goldfarb**  
Treasurer

**Cynthia Gonyea**  
Secretary

RE: Insurance Policies of Rancho Holdings

The Northwest San Pedro Neighborhood Council (NWSPNC) is requesting your assistance in obtaining information related to the insurance policies of Rancho Holdings, LPG Ltd. As you are aware, Rancho Holdings has a 25 million gallon butane and 300,000 thousand gallon propane storage and transport facility located at 2110 North Gaffey St., San Pedro.

Specifically, the NWSPNC is requesting:

- 1) that the Los Angeles City Attorney and the Los Angeles City Council investigate and report back to the NWSPNC in thirty days whether this facility, through various owners, has been given any exemption from liability in the past;
- 2) advise the NWSPNC on the nature of and amount of insurance required to adequately protect the citizens of the City from harm or damage emanating from the Rancho Holdings LPG facility; and
- 3) that the City Attorney or the Los Angeles City Council report back within thirty days on whether it requires a special permit with a provision that the operator provide adequate insurance to the City and nearby property owners indemnifying them from the costs stemming from a fire, explosion or contamination at this facility, or railcars or trucks carrying their product.

It is the perception of our neighborhood council that if the risks from Rancho Holdings LPG are as low as claimed by the facility management, then insurance coverage for the facility should be, by all accounts, affordable. A copy of the resolution is attached.

Additionally, many of our stakeholders are concerned as to whether their homeowner policies will protect them and their property in the event of a catastrophic event at the Rancho facility. We understand the City Attorney and the City have insurance

consultants that can tell you whether the ISO standard language does or does not include coverage for such events, and can provide you with references to the ISO exclusions or language that our stakeholders can use to discuss their particular insurance needs with their agents. We would greatly appreciate any information you can provide in that area

Thanks for you assistance. Please contact me at 310-831-1975 if you have any questions or if we can be of assistance in continuing to move this issue forward.

Sincerely,

s/ Diana Nave  
President



**NORTHWEST SAN PEDRO NEIGHBORHOOD COUNCIL**  
**Motion Regarding Insurance at Rancho LPG, Ltd.**

WHEREAS, stakeholders in the Northwest San Pedro Neighborhood Council (NWSPNC) area have voiced concern to the City of Los Angeles for their safety from the operation of Rancho Holdings, LPG Ltd., a 25 million gallon Butane and 300,000 thousand gallon Propane storage and transport facility located at 2110 North Gaffey St., San Pedro, and

WHEREAS, the City of Los Angeles has a stake, both ethical and financial, in ensuring that potential threats to life, health, loss of business, private and public property and infrastructure posed to the entire City of Los Angeles from an explosion, fire or contamination stemming from the Rancho LPG facility, and

WHEREAS, in spite of the USGS information and the recorded Los Angeles City Planning Department documents identifying the citing of these tanks on a seismically vulnerable "Rupture Zone" of the Palos Verdes Fault, neither the City nor the Los Angeles Harbor Department has mandated that the owner procures insurance appropriate to the risk of harm to its citizens and is therefore itself liable and complicit, and

WHEREAS, Victims of the 911 attack were compensated \$2.4 Billion in direct liability; this being a very conservative sum to cover our loss and damage if only the minimal explosion radius provided by the Environmental Protection Agency (EPA) of 0.5 miles were considered. The impact zone from the 2010 Cornerstone report, a 6.8 mile radius, is further supported by the 6 mile radius of destruction from a Nevada Local Emergency Planning Commission (LEPC) review of a facility with 0.2% of the volume of LPG held at Rancho. The potential for devastation would be of even greater concern of liability as both the Port of Los Angeles and Port of Long Beach and surrounding cities would be involved.

NOW THEREFORE, BE IT RESOLVED that the NWSPNC request that the Los Angeles City Attorney and the Los Angeles City Council investigate and report back to the NWSPNC in thirty days whether this facility, through various owners, has been given any exemption from liability in the past, also, advise us on the nature of and amount of insurance required to adequately protect the citizens of the City from harm or damage emanating from Rancho LPG.

BE IT FURTHER RESOLVED that the City Attorney or the Los Angeles City Council report back within thirty days on whether a special permit to operate the facility should be required which carries with it a requirement that the operator provide adequate insurance to the City and nearby property owners indemnifying them from the costs stemming from a fire, explosion or contamination at this facility, or railcars or trucks carrying their product. If the risks from Rancho are as low as claimed then insurance coverage procured by Rancho should be, by all accounts, affordable. We look to the leadership of the Los Angeles City Council for resolve in this public safety matter.

Adopted Unanimously November 14, 2011