

AGENDA DESCRIPTION:

Consideration and possible action to review the current status of Border Issues

RECOMMENDED COUNCIL ACTION:

- (1) Receive and file the first biannual report on the status of Border Issues for 2019

FISCAL IMPACT: None

Amount Budgeted:	N/A
Additional Appropriation:	N/A
Account Number(s):	N/A

ORIGINATED BY: Megan Barnes, Senior Administrative Analyst *MB*

REVIEWED BY: Gabriella Yap, Deputy City Manager *gy*

APPROVED BY: Doug Willmore, City Manager *DW*

ATTACHED SUPPORTING DOCUMENTS:

- A. Cal Water handout showing traffic control on Crenshaw Boulevard (page A-1)
- B. Notice and City comments on the draft environmental assessment for the proposed lease at Defense Fuel Support Point San Pedro (page B-1)
- C. Los Angeles Councilman Joe Buscaino's comments on the draft environmental assessment for the proposed lease at Defense Fuel Support Point San Pedro (page C-1)
- D. January 2011 and June 2011 letters regarding Rancho LPG (page D-1)
- E. June 2013 letters regarding Rancho LPG (page E-1)
- F. Text of H.R. 6489 (p. F-1)

EXECUTIVE SUMMARY:

This biannual report includes:

- An update on the Cal Water pipeline project in Rolling Hills Estates, the unincorporated Westfield community and Rancho Palos Verdes
- An update on the proposed 248-unit Butcher Solana apartment project at Hawthorne Boulevard and Via Valmonte in Torrance
- An update on the proposed leasing of the Defense Fuel Support Point San Pedro for commercial fueling operations

- An update on issues and events related to the Rancho LPG butane storage facility in San Pedro

BACKGROUND AND DISCUSSION:

This is the first biannual report to the City Council on various “Border Issues” potentially affecting residents of Rancho Palos Verdes for 2019. The full current status report is available on the City’s website at:

<http://www.rpvca.gov/781/Border-Issues-Status-Report>

Please note that, with the approval of changes to City Council Policy No. 34, the next Border Issues Status Report is expected to appear on a City Council agenda in December 2019.

Current Border Issues

Palos Verdes Peninsula Water Reliability Project, Rolling Hills Estates/Los Angeles County/Rancho Palos Verdes

According to California Water Service, most of the pipeline installation in the Palos Verdes Peninsula Water Reliability Project will be complete by the end of 2019, with some additional work connecting the pipeline to the existing system continuing into 2020. Construction on the new pump station on Crenshaw Boulevard near Silver Spur Road continues.

The next leg of the project is on Crenshaw Boulevard and is scheduled to begin at the end of June or in early July in Rancho Palos Verdes. Crews will work in small segments starting at Crest Road and moving toward the new pump station site north of Silver Spur Road, working from 9 a.m. to 7 p.m. on weekdays.

Construction from Crest Road to the pump station location is expected to last approximately five months, but could change depending on unforeseen circumstances. Preparatory work includes surveying and equipment staging and is expected to last approximately two weeks before pipeline installation begins. The estimated duration for all work on Crenshaw Boulevard (from Crest Road to the South Coast Botanic Garden) is approximately seven months.

Crews plan to work in the following stages on Crenshaw Boulevard:

- Crest Road to Crestridge Road
- Crestridge Road to Indian Peak Road
- Indian Peak Road to Silver Spur Road
- The intersection of Silver Spur Road and Crenshaw Boulevard
- Silver Spur Road to the new pump station site

- Pump station site to Chadwick Lane
- Chadwick Lane to the South Coast Botanic Garden (Nightwork from 8 p.m. to 6 a.m.)

At least one lane of traffic will be open in each direction at all times and all lanes will be open during non-work hours.

- From Crest Road to Silver Spur Road, the southbound lanes of Crenshaw Boulevard will be shut down in stages and all traffic will be shifted across the median to the northbound lanes, with one lane open in each direction.
- From Silver Spur Road to the pump station site, the northbound lanes of Crenshaw Boulevard will be shut down and all traffic will be shifted across the median to the southbound lanes, with one lane open in each direction.
- From the pump station to about 2,300 feet south of Palos Verdes Drive North, the northbound lanes will be closed and all traffic will be shifted to the southbound lanes, with one lane open in each direction.
- From that point to Palos Verdes Drive North, only one southbound lane will be closed, with all northbound lanes open.

Cal Water has produced a handout showing what traffic control will look like along each of these stages (see Attachment A).

Drivers are advised to expect traffic delays, drive slowly and with caution, and to take alternate routes, such as Hawthorne Boulevard, when possible.

Please note that drivers traveling north on Crenshaw Boulevard during working hours will be able to turn left at either Indian Peak Road or Silver Spur Road to head west, meaning one of these roads will be accessible when work reaches this area.

Staff will continue to monitor this issue in future Border Issues Status Reports. For additional information about the Palos Verdes Peninsula Water Reliability Project, visit <http://www.pvpwaterproject.com> or call 310-257-1400.

Butcher Solana Residential Development Project (Torrance)

There has been no change in the status of this proposed 248-unit apartment project at Hawthorne Blvd. and Via Valmonte reported by the City of Torrance since the project's Environmental Impact Report (EIR) scoping period ended on September 18, 2017. The draft EIR is still being prepared and should be released for public review and comment this summer, according to the City of Torrance.

According to planning staff at the City of Torrance, because the project falls in that city's Hillside Overlay Area, the applicant is required to construct silhouettes showing the structures' visual impacts. Due to heightened interest, Torrance planning staff said the silhouettes will be required to go up for a longer-than-usual period of at least 60 days

before the development's first hearing at the Planning Commission, and that staff is encouraging the applicant to construct them as soon as possible.

Staff will continue to monitor this issue in future Border Issues Status Reports. Additional information about the project is available on the City of Torrance's website at <https://www.torranceca.gov/our-city/community-development/planning/butcher-solana>.

Current Border Issues

Defense Fuel Support Point San Pedro (Los Angeles (San Pedro))

On April 17, 2019, Staff received notice from the Navy of the release of a [draft environmental assessment \(EA\)](#) of a proposal to renew fueling operations under a commercial lease at Defense Fuel Support Point San Pedro (DFSP), the sprawling, inactive Navy fuel tank farm on North Gaffey Street (which borders the City on a stretch of Western Avenue), and an 8-acre marine terminal about five miles southeast in the Port of Long Beach.

The Navy deactivated DFSP in late 2015, filling its underground tanks with foamcrete for permanent closure, and began exploring how the site could be used in the future. The Navy determined DFSP is desirable for fueling needs for the growing Pacific Fleet. According to the Navy, leasing the property to a commercial operator is optimal because it would enable the Navy to use the site for fueling operations, but have the lessee cover the costs of rehabilitation and maintenance of facilities.

The draft EA studied two alternatives: Alternative 1 proposed renewing fueling operations for a mix of commercial and Navy use on 311 acres at the San Pedro site, the marine terminal and about 14 miles of underground pipelines; and Alternative 2 proposed renewing operations at the marine terminal and pipelines only. A No Action Alternative was also studied, but the Navy determined this would not meet its needs.

The analysis assumed a maximum of 30 million barrels of fuel a year being transported for commercial and Navy use, noting the historical use by the Navy of 4 million to 12 million barrels per year. The assessment found that, with mitigation, there would be no significant impacts across 13 resource areas. Development would be limited to previously disturbed areas and biological resources that support sensitive species, including the Palos Verdes blue butterfly population, would not be disturbed. Three aboveground storage tanks near Western Avenue and Palos Verdes Drive North could be reactivated and additional facilities, including new tanks, could be constructed.

On May 16, Staff submitted a comment letter to the Navy raising serious concerns with the proposal, including the unknowns of potential commercial uses and the construction of new facilities at the San Pedro site, public safety hazards, increased traffic, and biological and visual impacts (see Attachment B).

Los Angeles City Councilman Joe Buscaino, who represents the Harbor Area, sent a letter to the Navy opposing reactivating the San Pedro site, saying multiple existing liquid bulk facilities in the twin ports of Los Angeles and Long Beach are capable of meeting the Navy's needs (see Attachment C).

In response to requests from the community, the Navy extended the public comment deadline for the draft EA from May 20 to June 3.

On May 29, Staff attended a meeting of the Northwest San Pedro Neighborhood Council Community Issues Committee, where the panel heard an overview of the proposal from Gregg Smith, a public affairs officer for Naval Weapons Station Seal Beach. Smith took questions and clarified that the Navy would not collect rent from the lessee, saying the arrangement would be for in-kind services (improvements and maintenance). Smith also said that since announcing plans to potentially reactivate DFSP, the Navy has been approached by several local oil industries that expressed interest in the potential outlease.

The committee members raised various public safety concerns about renewing and significantly increasing fueling operations at the depot site in San Pedro, given its proximity to homes, populated areas, the nearby Rancho LPG storage tanks and the Philips 66 oil refinery. Smith said that under Alternative 2, one possibility could be for a nearby oil refinery with existing pipelines capable of connecting to the marine terminal to enter an outlease, meaning, the use of the site near homes could be avoided.

The Navy granted the Northwest San Pedro Neighborhood Council an extension to submit comments on the draft EA after June 3 so they could be discussed at the council's next board meeting after the deadline. On June 10, the board voted unanimously to send a letter opposing Alternative 1 over various environmental and public safety concerns, expressing strong opposition to the construction of new storage tanks, and calling for additional alternatives to be studied before making a decision on Alternative 2.

According to the Navy, a final EA should be released by the end of the year. The Navy would then put out a request for proposals and make a final decision on its next steps soon after. Any potential development not studied in the EA would require additional analysis.

Staff will continue to monitor this issue in future Border Issues Status Reports.

Rancho LPG Butane Storage Facility, Los Angeles (San Pedro)

The Navy's recent release of the draft EA of the proposed outlease of DFSP has renewed community discussion about longstanding concerns with the nearby Rancho LPG facility on North Gaffey Street in San Pedro, where 25 million gallons of butane are stored in two aboveground tanks, and another five horizontal storage tanks each hold 60,000 gallons of propane.

In response to public comments, the Navy stated in its draft EA that both the Rancho LPG facility and the nearby Phillips 66 oil refinery were not studied because both are outside the scope of the project.

At the May 21 City Council meeting, Mayor Duhovic requested a report on the City's actions with regard to concerns about Rancho LPG and the potential reactivation of DFSP. Staff determined that both of these topics could be addressed in this Border Issues Status Report. Updates on DFSP are detailed in the previous section.

For some background, over the years, residents of San Pedro, the Eastview area of Rancho Palos Verdes and others have brought concerns to the City Council about Rancho LPG, including the potential for a catastrophic explosion. Rancho LPG has defended its safety record and procedures.

In November 2010, amid renewed dialogue about Rancho LPG following a natural gas pipeline explosion in San Bruno and the release of a risk assessment of Rancho LPG commissioned by the Northwest San Pedro Neighborhood Council, members of the public asked the City Council to adopt a resolution expressing serious safety concerns with the facility. Instead, the council opted to send letters to then-Los Angeles City Councilwoman Janice Hahn, then-Senator Barbara Boxer and Senator Dianne Feinstein calling for close monitoring, enforcement of regulations and the creation of a clearinghouse for public information on the facility (see Attachment D). Rancho LPG refuted the risk assessment and prepared its own, which had different findings.

In 2012, Los Angeles City Councilman Joe Buscaino introduced several motions and held a public meeting seeking information from regulators on safety standards at liquid bulk storage facilities in the Harbor Area.

In October of that year, the Rancho Palos Verdes City Council heard a presentation from Staff about the Rancho LPG site and asked a representative of the facility's parent company, Plains All American Pipeline, L.P., for a copy of its insurance coverage in case of a catastrophic event. Rancho LPG later denied the request, stating the policies were proprietary information, but that it had an "appropriate level" of insurance coverage.

In March 2013, the Environmental Protection Agency issued Rancho LPG a Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act based on inspections in 2010 and 2011. The City sent letters to Councilman Buscaino, then-Rep. Janice Hahn and former Rep. Henry Waxman seeking assistance obtaining information on the alleged violations and other concerns (see Attachment E).

Rancho LPG later reached a settlement agreement with the EPA to pay a \$260,000 fine, but disputed the claims.

Then-Rep. Hahn, former Rep. Waxman and then-State Senator Ted Lieu wrote letters calling for safety reviews of the Rancho LPG facility at the federal and state levels. These inquiries were met with responses from regulatory agencies that the facility was operating in compliance with laws and regulations.

In October 2014, the State Lands Commission (SLC) heard an informational item on Rancho LPG and its use of a rail spur on Port of Los Angeles property, with staff concluding that the commission did not have jurisdiction over either the facility or the rail spur. One week before the meeting, the City Council considered sending a letter to the SLC on this topic. Mayor Duhovic prepared a draft letter and, after some Council discussion and revisions, read it into the record of the meeting. It was Staff's understanding of the City Council motion that the letter read into the record would be sent to Staff to then be routed to the council members for review, but if any council member objected to sending the letter as proposed, the letter would not be sent to the SLC unless it was presented to the council for formal review as an agenda item at a subsequent, duly-noticed public meeting. An objection to the letter was raised by a council member, so the letter was not sent.

In January 2016, the Los Angeles Board of Harbor Commissioners received a report from its staff, which reiterated the position that the Port of Los Angeles has little to no direct authority or jurisdiction over the operations of the Rancho LPG facility. That same month, the Los Angeles Unified School District Board of Education passed a resolution supporting the relocation of the Rancho LPG tanks.

At an SLC meeting in August 2017, the panel moved to formally seek the advice of the State Attorney General on whether it has jurisdiction to take direct administrative action over the Rancho LPG site or the rail spur.

At another meeting in February 2018, the SLC decided to make public a letter from the Attorney General's Office, which concluded that SLC staff was correct that it does not have such jurisdiction.

In July 2018, Rep. Nanette Barragán (D-San Pedro) introduced legislation in the House of Representatives that would authorize the use of up to \$500 million in federal grant funding to cover half the cost of relocating LPG storage facilities that are within five miles of populated areas, homes or schools (see Attachment F). H.R. 6489 was last referred to the House Subcommittee on Energy days later, but has not seen activity since. Staff has reached out to Rep. Barragán's office for an update on this strategy for potential relocation.

Staff will continue to monitor this issue in future Border Issues Status Reports.

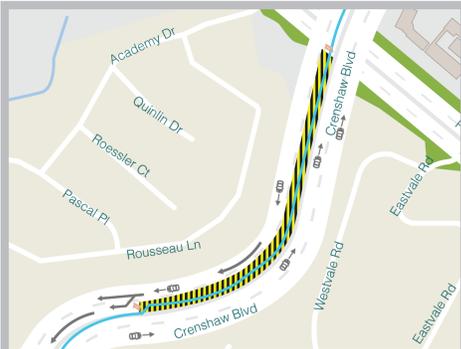
New Border Issues

There are no new Border Issues on which to report at this time.

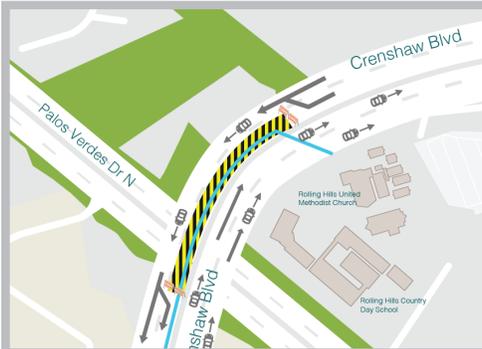


PALOS VERDES PENINSULA Water Reliability Project

Quality. Service. Value.



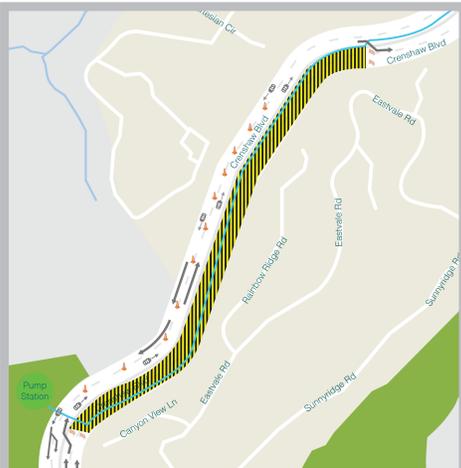
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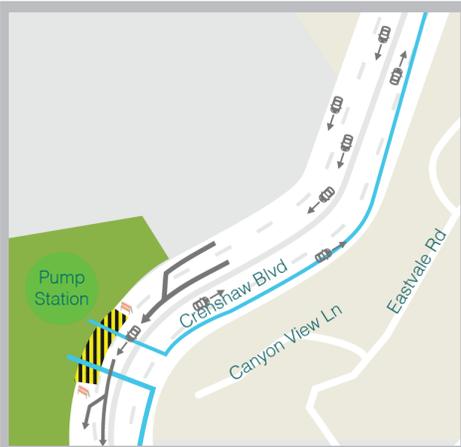
Work hours: 8 p.m. - 6 a.m.



Work hours: 8 p.m. - 6 a.m.



Work hours: 9 a.m.- 7 p.m.



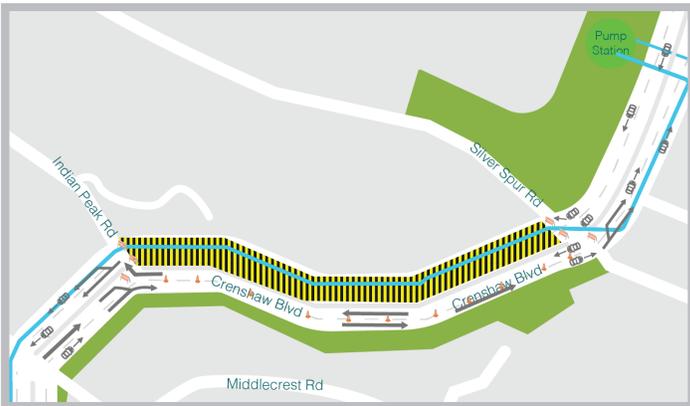
Work hours: 9 a.m. - 7 p.m.





PALOS VERDES PENINSULA Water Reliability Project

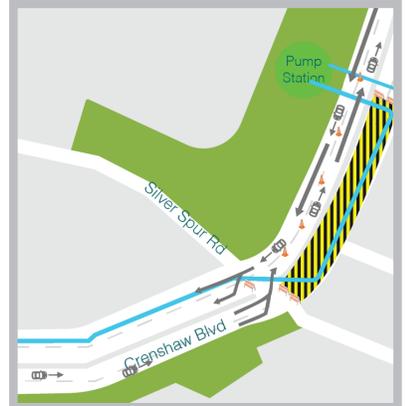
Quality. Service. Value.



Work hours: 9 a.m. - 7 p.m.



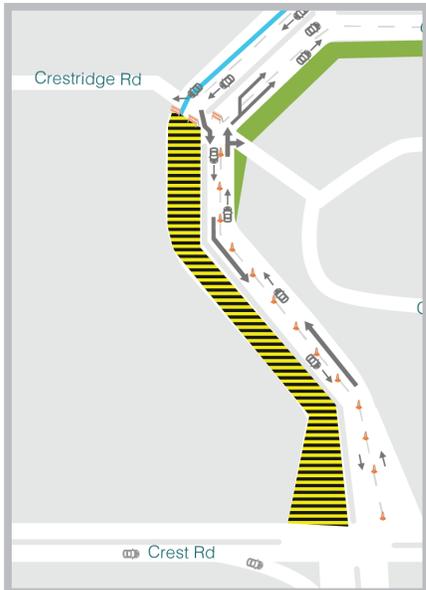
Work hours: 9 a.m. - 7 p.m.



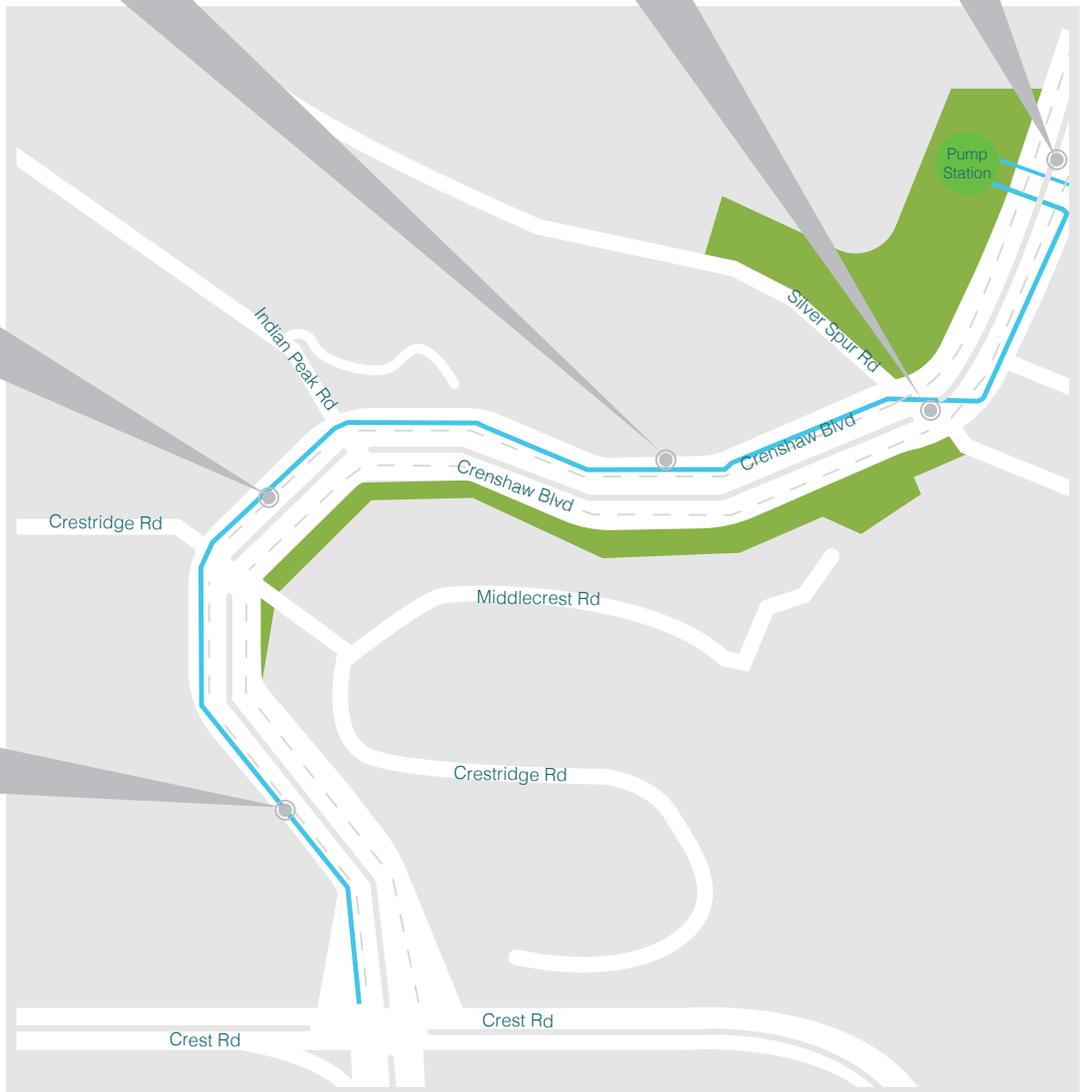
Work hours: 9 a.m. - 7 p.m.



Work hours: 9 a.m. - 7 p.m.



Work hours: 9 a.m. - 7 p.m.





DEPARTMENT OF THE NAVY
NAVAL WEAPONS STATION SEAL BEACH
800 SEAL BEACH BOULEVARD
SEAL BEACH, CA 90740-5000

IN REPLY REFER TO
5090
Ser N45/0039
17 APR 2019

Dear Sir or Madam:

**SUBJECT: ENVIRONMENTAL ASSESSMENT FOR RENEWED FUELING OPERATIONS
AT DEFENSE FUEL SUPPORT POINT SAN PEDRO**

In accordance with the National Environmental Policy Act (NEPA) of 1969, the U.S. Navy has prepared a Draft Environmental Assessment (EA) to analyze the potential impacts of its proposal to renew fueling operations for commercial and military purposes at Defense Fuel Support Point San Pedro.

The Draft EA is available for public review and comment from April 19, 2019, through May 20, 2019. The Navy is requesting public input on the adequacy and accuracy of the environmental analysis presented in the Draft EA. The Navy will be holding an open house information session on Monday, May 6, 2019 and will be accepting public comments through May 20, 2019. Details are provided below.

Background

Defense Fuel Support Point San Pedro is comprised of two Special Areas: (1) the San Pedro Fuel Depot (Main Terminal) and (2) the Long Beach Fuel Complex (Marine Terminal including Pier 12), both assigned to Naval Weapons Station Seal Beach. Operation of Defense Fuel Support Point San Pedro is currently the responsibility of the Defense Logistics Agency. As of May 2014, the Defense Logistics Agency placed all fuel storage tanks at Defense Fuel Support Point San Pedro in a temporary closure (or non-active) status, so the complex could be re-opened or permanently closed depending on future mission requirements.

An EA was completed jointly by the Navy and the Defense Logistics Agency in February 2016 to analyze impacts that could potentially result from the complete or partial permanent closure of Defense Fuel Support Point San Pedro as a Defense Logistics Agency-run facility. A Finding of No Significant Impact was signed in February 2016 in conjunction with the decision to move forward with a partial closure of the facility, and the Defense Logistics Agency began the process of permanently closing all underground storage tanks on the Main Terminal. At the same time, the Navy began the process of planning for the long-term utilization of Defense Fuel Support Point San Pedro.

The Navy determined, based on its mission needs, an evaluation of the facilities, and of regulatory, resource, and development considerations at Defense Fuel Support Point San Pedro, that potential options existed to allow for a lessee to use Defense Fuel Support Point San Pedro for commercial fueling operations under an outlease. A separate fuel purchase agreement would be established with a private/commercial entity to support the Navy's fueling requirements at the installation.

Proposed Action

The purpose of the Proposed Action is the reactivation and sustainment of the Defense Fuel Support Point San Pedro facility to the maximum extent practicable for commercial fueling use, with allowance for periodic and contingency fueling of Navy ships, in support of 10 United States Code section 5062.

The need for the Proposed Action is to ensure the fullest possible use and maintenance of the Navy's assets (e.g., the Defense Fuel Support Point San Pedro Main and Marine Terminals and associated pipelines) through the commercial use of facilities and infrastructure while maintaining capability to meet periodic and contingency Navy fueling needs.

Environmental Assessment

The Draft EA includes an analysis of the potential environmental impacts of the Proposed Action and alternatives pertaining to renewing fueling operations at Defense Fuel Support Point San Pedro.

The Navy analyzed the potential environmental impacts the Proposed Action and alternatives may have on the following resource areas: air quality; biological resources; environmental justice; geological resources; hazardous materials and wastes; infrastructure; land use and coastal resources; noise; public health and safety; socioeconomics; transportation; visual resources; and water resources.

From October 10, 2018, through November 13, 2018, the Navy held a 35-day public scoping period to receive public input that would help the Navy identify issues and resource areas for analysis in the Draft EA. The Navy received 11 comment submittals, which were used in development of the Draft EA.

NEPA Process

A 32-day public comment period will be open from **April 19, 2019**, through **May 20, 2019**. The Navy is holding an open house information session to inform the public about the Proposed Action, answer questions, and receive public comments. Navy representatives will be available at poster stations to provide information about the project and answer questions. The public may arrive at any time during the open house information session. Arriving by 7:30 p.m. is suggested to allow ample time to visit the poster stations. There will be no formal presentation.

The open house information session will be held on Monday, May 6, 2019 from 5 p.m. to 8 p.m. at:

Peck Park Community Center
560 N. Western Ave.
San Pedro, CA 90732

5090
Ser N45/0039
17 APR 2019

The Navy requests and welcomes your comments. Written comments may be submitted at the open house information session, by email to nwssbpao@navy.mil, or via postal mail to:

Naval Facilities Engineering Command Southwest
Attention: Code EV25.TB
937 N. Harbor Drive
Building 1, 3rd Floor (Environmental)
San Diego, CA 92132

Comments must be postmarked by Monday, May 20, 2019. All comments submitted by the due date will be considered in preparation of the Final EA.

The Draft EA is available to review online at: www.cnmc.navy.mil/SanPedroEA, and at several libraries: San Pedro Regional, Peninsula Center, Bay Shore Branch, Miraleste Branch, and Wilmington Branch.

For more information, please visit the project website at www.cnmc.navy.mil/SanPedroEA or contact the Naval Weapons Station Seal Beach Public Affairs Officer, Mr. Gregg Smith, at 562-626-7215.

Sincerely,



N. J. DAHLKE
Captain, U. S. Navy
Commanding Officer

Enclosure: 1. Project Location Map

Enclosure 1: Project Location Map

Proposed Project Area at Defense Fuel Support Point San Pedro



Enclosure (1)



May 16, 2019

Via Email
nwssbpao@navy.mil

Naval Facilities Engineering Command Southwest
ATTN: Code EV25.TB
937 N. Harbor Dr.
Bldg. 1, 3rd Fl. (Environmental)
San Diego, CA 92132

**SUBJECT: Comments on the Draft Environmental Assessment for the Proposed
Outlease of Defense Fuel Support Point (DFSP) San Pedro for
Commercial Fueling Operations**

Dear Sir/Madam:

The City of Rancho Palos Verdes has reviewed the draft EA for the proposed outlease of Defense Fuel Support Point San Pedro and wishes to express serious concerns with the project, especially the potential for renewing and dramatically increasing fueling operations at the main terminal.

We appreciate that the public review and comment period for the analysis went beyond 15 days, however, we do not believe one month and a single information session are sufficient to thoroughly inform the public in the multiple jurisdictions that surround the project area.

After a careful review of the analysis, we have identified numerous areas of concern with Alternative 1, including the unknowns of potential commercial uses and new facilities at the main terminal, public safety hazards, increased traffic, biological and visual impacts. We prefer Alternative 2, as it would keep the transportation of combustible fuels and a host of potential hazards associated with fueling operations away from the schools, homes, ball parks, and other populated areas around the main terminal.

The analysis does not offer a thorough explanation of how the Navy reached the conclusion that commercial fueling operations are needed at the main terminal. It leaves more questions than answers about what kind of lessee would operate the site, what new facilities could be constructed, how many, or what they would look like. More specificity is needed to meaningfully respond.

We question the wisdom of increasing the transport of combustible fuels from a historic high of 12 million barrels per year to up to 30 million barrels, especially with regard to the main terminal site, which sits on the Palos Verdes Fault Zone and a liquefaction zone. This surge

May 16, 2019

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in activity inherently increases the risk of exposing the surrounding public to potential hazards and harms, a population that will increase with the future addition of 676 homes in the adjacent Highpark development. It is imperative that the Navy enforce the lessee's compliance with all health and safety regulations during construction, rehabilitation and operations.

Adding dozens of trips a day by 11,600-gallon tanker trucks to roadways will not only worsen traffic and increase carbon emissions, but elevate the potential hazards associated with transporting combustible fuels. The lessee must ensure the trucks do not make trips during peak traffic hours and that personnel strictly follow all health and safety regulations.

We remain concerned about the visual impacts of the three above-ground storage tanks near Western Avenue and Palos Verdes Drive North, and without specifics about the number and design of potential new facilities, including new storage tanks, we cannot meaningfully understand their potential visual impacts.

We appreciate the document's attention and consideration to the sensitive biological resources present on the main terminal site, which support the endangered Palos Verdes blue butterfly population, however we believe this habitat should be expanded with the increase in fueling operations.

For these and other reasons, we have serious concerns with Alternative 1 and its potential impacts on the public, and prefer Alternative 2, which would limit fueling operations to the Navy's marine terminal in the Port of Long Beach.

Thank you for the opportunity to comment on this important project and we hope the final analysis will provide answers to the unknowns outlined in this letter.

Sincerely,



Doug Willmore
City Manager

cc: Rancho Palos Verdes City Council
Gabriella Yap, Deputy City Manager
Adrienne Mohan, Executive Director, Palos Verdes Peninsula Land Conservancy



Joe Buscaino
Councilmember, 15th District

May 15, 2019

Naval Facilities Engineering
Command Southwest
Attention: Code EV25.TB
937 N. Harbor Drive
Building 1, 3rd Floor (Environmental)
San Diego, CA 92132

Dear Mr. Smith,

I am writing to express my opposition to the renewed fueling operations at Defense Fuel Support Point (DFSP) San Pedro.

I must side with local residents who attended your community presentation to hear about the draft and provide feedback as required by NEPA. They have been absolutely clear in their strong opposition to the reopening of this facility for any future petroleum storage use.

Because of technology advancements and stricter environmental laws, many neighboring petroleum storage and processing facilities have closed - including this facility. My community celebrated the closure and cessation of petroleum storage and pumping at this location because of the plausible inherent dangers of stored materials in close proximity to residential zones.

There are many sensitive receptors in the area including an elementary school 1000 feet from your fence line, a community day school with 300 high school students 750 feet from your fence line, and several after-school programs also in close proximity to the facility. This area is also home to the endangered Palos Verdes Blue Butterfly. Reactivating this facility would also complicate an already very complex environmental clean up.

I understand the need for strategic access to fuel in time of war or conflict or strategic need to diversify fueling and storage locations and operations. However, there are four refineries in this region with seven liquid bulk petroleum pumping stations in the Port of Los Angeles that can provide fuel to a wide range of military vessels. The Port of Long Beach also has an additional five liquid bulk docks. The Navy's Long Beach dock can be connected to any of these petroleum facilities by a pipe as a contingency without the need to activate the San Pedro facility.

For these reasons, I would like to once again express my opposition to the proposal to renew fueling operations at the DFSP San Pedro.

Please feel free to contact my Deputy Chief of Staff, Jacob Haik, at Jacob.Haik@LACity.org if you have any questions or comments.

Sincerely,

JOE BUSCAINO
Councilmember, 15th District



January 6, 2011

Councilwoman Janice Hahn, 15th District
City of Los Angeles
200 N. Spring St., Room 435
Los Angeles, CA 90012

SUBJECT: City of Rancho Palos Verdes' Concerns regarding the Rancho LPG Butane Storage Facility, 2110 North Gaffey Street, San Pedro

Dear Councilwoman Hahn:

As you may be aware, residents in San Pedro and Rancho Palos Verdes have been concerned for many years about the Rancho LPG (formerly AmeriGas) butane storage facility at North Gaffey Street and Westmont Drive. Recently, these concerns have returned to the forefront, particularly in the aftermath of the catastrophic gas pipeline failure in the Bay Area community of San Bruno in September 2010.

We understand that plans were made several years ago for this facility to be re-located to Pier 400 in the Port of Los Angeles—away from homes, schools and local business—plans that (for some reason) have never come to fruition. The facility was approved for this site more than thirty (30) years ago, at a time when less-rigorous environmental review and public participation processes were in effect than is the case today.

Earlier this year, the Northwest San Pedro Neighborhood Council (NWSPNC) commissioned a quantitative risk assessment of the Rancho LPG facility. The risk assessment—released in September 2010—identified a variety of possible accident scenarios for the facility. These ranged from a relatively small, on-site mishap with impacts mainly contained to the site, to a sudden, catastrophic failure of the butane storage tanks with impacts extending for a 5- to 7-mile radius from the facility.

The facility's operator, Rancho LPG Holdings, LLC, has refuted the conclusions of the NWSPNC risk assessment, and the assessment's authors have not (to the City's knowledge) responded publicly to questions about how the risk assessment was prepared or how its conclusions were reached. Although Rancho LPG has stated that it intends to prepare its own risk assessment of the facility and to publicly release its findings, there remain today many unanswered questions about the safety of this facility for residents living nearby.

Councilwoman Janice Hahn
January 6, 2011
Page 2

Ideally, the City of Rancho Palos Verdes and its residents would like to see this facility relocated to another site that does not pose such a significant "risk of upset" to surrounding property and neighborhoods. Failing that, however, we wish to be assured that the facility is operated as safely as possible, and in complete accordance the regulations of all local, State and Federal agencies having jurisdiction over this site and these types of facilities. To these ends, we respectfully request your assistance in the fulfilling the following community objectives:

- Regularly monitor the Rancho LPG site and facility, and enforce (to the maximum extent possible) the City of Los Angeles' land use regulations and the State's environmental review processes (i.e., CEQA) with respect to the on-going operation of the facility and any possible future proposals for its modification, renovation and/or expansion; and,
- Provide to the general public a transparent and accountable clearinghouse for the dissemination of information and the discussion of issues about the Rancho LPG site and facility.

Our Planning Staff continues to monitor issues related to the Rancho LPG site and facility, and to report these issues regularly to our City Council. We look forward to working with you and the facility's owner/operator to ensure the future safety and tranquility of our respective communities and residents.

Sincerely yours,



Thomas D. Long
Mayor

cc: Rancho Palos Verdes City Council
Carolyn Lehr, City Manager
✓ Joel Rojas, Community Development Director
✓ Kit Fox, Associate Planner



THOMAS D. LONG, MAYOR

ANTHONY M. MISETICH, MAYOR PRO TEM

BRIAN CAMPBELL, COUNCILMAN
DOUGLAS W. STERN, COUNCILMAN
STEFAN WOLOWICZ, COUNCILMAN

June 21, 2011

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

SUBJECT: City of Rancho Palos Verdes' Concerns regarding the Rancho LPG Butane Storage Facility, 2110 North Gaffey Street, San Pedro, California

Dear Senator Feinstein:

Residents in San Pedro and Rancho Palos Verdes have been concerned for many years about the Rancho LPG (formerly AmeriGas) butane storage facility at North Gaffey Street and Westmont Drive in San Pedro. Within the past year, these concerns returned to the forefront, particularly in the aftermath of the catastrophic gas pipeline failure in the Bay Area community of San Bruno in September 2010.

We understand that plans were made several years ago for this facility to be re-located to the Port of Los Angeles—away from homes, schools and local business—plans that (for some reason) have never come to fruition. The facility was approved for its current site more than thirty (30) years ago, at a time when less-rigorous environmental review and public participation processes were in effect than is the case today.

In September 2010, the City of Los Angeles' Northwest San Pedro Neighborhood Council (NWSPNC) released a quantitative risk assessment of the Rancho LPG facility, prepared by Cornerstone Technologies. The Cornerstone report identified a variety of possible accident scenarios for the facility. These ranged from a relatively small, on-site mishap with impacts mainly contained to the site, to a sudden, catastrophic failure of the butane storage tanks with impacts extending for a 5- to 7-mile radius from the facility.

The facility's operator, Rancho LPG Holdings, LLC, immediately refuted the conclusions of the Cornerstone report, whose authors have not (to the City's knowledge) responded publicly to questions about how the risk assessment was prepared or how its conclusions were reached. Rancho LPG subsequently commissioned its own risk assessment of the

Senator Dianne Feinstein
June 16, 2011
Page 2

facility, prepared by Quest Consultants. The findings of the Quest report, which were publicly released in January 2011, concluded that the area potentially affected by the most catastrophic events that could realistically occur at the Rancho LPG facility would be several orders of magnitude less than the nearly 7-mile radius affected under the most-catastrophic scenario identified in the Cornerstone report. Despite this, there remain today many unanswered questions about the safety of this facility for residents living nearby.

Ideally, the City of Rancho Palos Verdes and its residents would like to see this facility relocated to another site that does not pose such a significant "risk of upset" to surrounding property and neighborhoods. Failing that, however, we wish to be assured that the facility is operated as safely as possible, and in complete accordance the regulations of all local, State and Federal agencies having jurisdiction over this site and these types of facilities. To these ends, we respectfully request your assistance in the fulfilling the following community objectives:

- Regularly monitor the Rancho LPG site and facility, and enforce (to the maximum extent possible) any applicable Federal regulations and environmental review processes (i.e., NEPA) with respect to the on-going operation of the facility and any possible future proposals for its modification, renovation and/or expansion; and,
- Provide to the general public a transparent and accountable clearinghouse for the dissemination of any information and the discussion of issues about the Rancho LPG site and facility.

Our Planning Staff continues to monitor issues related to the Rancho LPG site and facility, and to report these issues regularly to our City Council. We look forward to working with you and the facility's owner/operator to ensure the future safety and tranquility of our respective communities and residents.

Sincerely yours,



Thomas D. Long
Mayor

cc: Rancho Palos Verdes City Council
Carolyn Lehr, City Manager
Joel Rojas, Community Development Director
Kit Fox, Associate Planner



THOMAS D. LONG, MAYOR

ANTHONY M. MISETICH, MAYOR PRO TEM

BRIAN CAMPBELL, COUNCILMAN
DOUGLAS W. STERN, COUNCILMAN
STEFAN WOLOWICZ, COUNCILMAN

June 21, 2011

The Honorable Barbara Boxer
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

SUBJECT: City of Rancho Palos Verdes' Concerns regarding the Rancho LPG Butane Storage Facility, 2110 North Gaffey Street, San Pedro, California

Dear Senator Boxer:

Residents in San Pedro and Rancho Palos Verdes have been concerned for many years about the Rancho LPG (formerly AmeriGas) butane storage facility at North Gaffey Street and Westmont Drive in San Pedro. Within the past year, these concerns returned to the forefront, particularly in the aftermath of the catastrophic gas pipeline failure in the Bay Area community of San Bruno in September 2010.

We understand that plans were made several years ago for this facility to be re-located to the Port of Los Angeles—away from homes, schools and local business—plans that (for some reason) have never come to fruition. The facility was approved for its current site more than thirty (30) years ago, at a time when less-rigorous environmental review and public participation processes were in effect than is the case today.

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The facility's operator, Rancho LPG Holdings, LLC, immediately refuted the conclusions of the Cornerstone report, whose authors have not (to the City's knowledge) responded publicly to questions about how the risk assessment was prepared or how its conclusions were reached. Rancho LPG subsequently commissioned its own risk assessment of the facility, prepared by Quest Consultants. The findings of the Quest

Senator Barbara Boxer
June 16, 2011
Page 2

report, which were publicly released in January 2011, concluded that the area potentially affected by the most catastrophic events that could realistically occur at the Rancho LPG facility would be several orders of magnitude less than the nearly 7-mile radius affected under the most-catastrophic scenario identified in the Cornerstone report. Despite this, there remain today many unanswered questions about the safety of this facility for residents living nearby.

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Sincerely yours,



Thomas D. Long
Mayor

cc: Rancho Palos Verdes City Council
Carolyn Lehr, City Manager
Joel Rojas, Community Development Director
Kit Fox, Associate Planner

SUSAN BROOKS, MAYOR

JERRY V. DUHOVIC, MAYOR PRO TEM

June 18, 2013

BRIAN CAMPBELL, COUNCILMAN

JIM KNIGHT, COUNCILMAN

ANTHONY M. MISETICH, COUNCILMAN

The Honorable Joe Buscaino
City of Los Angeles, 15th Council District
200 N. Spring St., Rm. 425
Los Angeles, CA 90012

SUBJECT: Resolution of Issues Related to the Rancho LPG Facility, 2110 North Gaffey Street, San Pedro, California

Dear Councilman Buscaino:

Since your election to the Los Angeles City Council in 2011, my City Council colleagues and I have very much appreciated your leadership in addressing community concerns about the Rancho LPG facility. As you know, the operation of this facility has potential impacts upon residents in both of our cities. Our City Council receives regular updates related to the facility from our Staff. However, there are several issues for which we have sought (unsuccessfully) answers to our questions about the facility, and for which we now turn to you for assistance.

Rancho LPG Insurance Information

At a public meeting before the Rancho Palos Verdes City Council in October 2012, a representative of Rancho LPG expressed willingness to provide our City with information about the insurance and liability coverage for the Rancho LPG facility. However, in January 2013, Rancho LPG subsequently refused to provide this information on the grounds that it was "proprietary information" (see enclosures). We seek any assistance that you and the Los Angeles City Attorney's Office can provide in obtaining copies of Rancho LPG's insurance information.

Chief Legislative Analyst's Recommendations

In February 2013, the Chief Legislative Analyst's (CLA) Office of the City of Los Angeles released its report on "Safety Regulations and Precautions at Liquefied Petroleum Gas (LPG) Facilities." After summarizing the legislative and regulatory background affecting the Rancho LPG facility in its report, the CLA made two (2) recommendations:

1. Instruct the Fire Department to develop potential options for a community outreach effort and preparedness exercise with City departments and

stakeholders in the San Pedro area, including the facility operator, local Neighborhood Councils, homeowner groups, and other community based organizations.

2. Instruct the Fire Department and Department of Building and Safety, with the assistance of the Chief Legislative Analyst, to report back with a list of inspections conducted by non-City agencies at liquid bulk storage facilities that would benefit City agencies by receiving automatic notification of inspection deficiencies.

Recently, we forwarded to your staff information about a possible grant funding opportunity for emergency preparedness that might help to implement the CLA's recommendations (see enclosure). We would appreciate an update on the status of the implementation of the CLA's recommendations regarding the Rancho LPG facility.

Environmental Protection Agency Enforcement Action

In March 2013, the U.S. Environmental Protection Agency (EPA) issued a "Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act" to the Rancho LPG facility (see enclosure). This notice apparently stemmed from site inspections conducted by the EPA in 2010 and 2011. The allegations against Rancho LPG include:

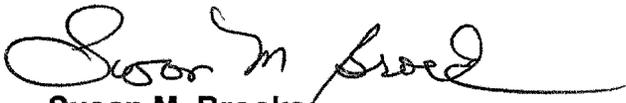
- Failing to include the rail storage area of the site in its Risk Management Plan;
- Failing to adequately evaluate seismic impacts upon the facility's emergency flare;
- Failing to address the consequences of a loss of City water for fire suppression during an earthquake;
- Failing to conduct a timely internal inspection of Tank 1 (i.e., one of the 12½-million-gallon butane storage tanks);
- Failing to develop an Emergency Response Plan to protect public health and the environment; and,
- Failing to include a drain pipe and valve in the containment basin in the Mechanical Integrity Program.

Rancho LPG was given until April 15, 2013, to file responses to EPA's allegations. Our Staff contacted the EPA on May 6, 2013, to inquire into the status of Rancho LPG's response, but we have received no response to our inquiry from EPA. We seek your assistance in getting an update from EPA in this matter.

Councilman Joe Buscaino
June 18, 2013
Page 3

Again, I thank you for your continued leadership in addressing this issue affecting all of our constituents. If you have questions or need additional information, please contact Senior Administrative Analyst Kit Fox at (310) 544-5226 or kitf@rpv.com.

Sincerely yours,



Susan M. Brooks
Mayor

enclosures

cc: Rancho Palos Verdes City Council
Carolyn Lehr, Rancho Palos Verdes City Manager
Mayor Margaret Estrada and the Lomita City Council
Michael Rock, Lomita City Manager
Mayor James F. Goodhart and the Palos Verdes Estates City Council
Anton Dahlerbruch, Palos Verdes Estates City Manager
Mayor Frank E. Hill and the Rolling Hills City Council
Steve Burrell, Rolling Hills Interim City Manager
Mayor Frank V. Zerunyan and the Rolling Hills Estates City Council
Doug Prichard, Rolling Hills Estates City Manager
Kit Fox, Senior Administrative Analyst



RANCHO

LPG Holdings LLC

John H. Kyles
Senior Attorney

Phone: (713) 993-5136
Fax: (713) 646-4216

January 29, 2013

Carol W. Lynch, Esq.
City Attorney, City of Rancho Palos Verdes
c/o: Richards, Watson & Gershon
355 South Grand Avenue 40th Floor
Los Angeles, CA 90071

RE: Rancho LPG Holdings LLC
San Pedro Terminal, 2110 North Gaffey, San Pedro, CA

City of Rancho Palos Verdes, CA Information Request Response
(Plains File: L6686A)

Dear Ms. Lynch,

You and Mr. Kit Fox have inquired about the insurance coverage that Rancho LPG has in place in case of a catastrophic event involving the storage tanks at Rancho's facility. After internal review, Rancho LPG has concluded that the requested information is proprietary. Therefore, Rancho will not make the insurance policies and their details available to the City.

However, Rancho LPG wants Rancho Palos Verdes City government to know that Rancho works closely with its underwriters and has been advised that Rancho has an appropriate level of insurance for a facility of this type.

Thank you for your consideration and cooperation in this matter.

Sincerely,

John H. Kyles

Cc:

Kit Fox, AICP
Senior Admin Analyst
City Manager's Office
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho, Palos Verdes, CA
90275

Ron Conrow
Western District Manager
Plains LPG Services, LP
Shafter, CA

Dan Johansen
San Pedro Terminal
2110 North Gaffey,
San Pedro, CA 90731

Scott Sill
Managing Director, LPG Operations
1400, 607-8 Avenue SW
Calgary AB T2POA7

Hon. Rudy Svorinich, Jr.
1891 N. Gaffey Street
Suite 221
San Pedro, CA 90731

FACT SHEET

CalEMA Hazardous Materials Emergency Preparedness Grant (HMEP)

Funding Information and Application Requirements

FAST FACTS

1	Application Deadline	<p>Applications are due to California's Local Emergency Planning Committees (LEPCs) approximately July 15, 2013. Check with your LEPC chair to confirm their internal deadline date. LEPCs contact information is located at the end of this fact sheet.</p> <p>LEPCs are to submit applications to Cal EMA by August 15, 2013.</p>
2	Workshops (if any)	There are no workshops scheduled at this time.
3	Eligible Applicants	<p>State or local agencies and federally recognized tribal governments.</p> <p>Local governments are defined as, "A county, municipality, city, town, township, local public authority such as school district, special district, intrastate district, council of governments...any other regional or interstate government entity, or any agency or instrumentality of a local government."</p>
4	Purpose of Program	For public sector planning and training in support of the emergency planning and training efforts of States, Indian tribes, and local communities to deal with hazardous materials emergencies, particularly those involving transportation.
5	Success Rate Last Year	<p>2012: 11 applications were received and nine were funded. Success rate was 82 percent.</p> <p>2011: 15 applications were received and all were funded. Success rate was 100 percent.</p>
6	Authorizing Resolution Required?	Not stated as required.

FUNDING INFORMATION

7	Total Funds Available	Anticipated funding \$738,380.
8	High, Low, Average Grant Last Year	High: \$64,000; Average: \$27,753; Low: \$10,422
9	Maximum Funding Request	There is no stated maximum.
10	Local Match Required	20 percent of the total cost of the approved project with non-Federal funds.
11	Funding Cycle	Annual

PROJECT INFORMATION

12	Examples of Funded Projects	<ul style="list-style-type: none"> • Corona Fire Department – Area Plan Update: a minimum of 75% of the HMEP Planning grant allocation is made available to the LEPCs for allowable projects via a sub-grant process that requires the LEPCs to approve and prioritize all applications for
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their region. \$11,000.

- **City of Lancaster** – HazMat Needs/Hazards Assessment and Response Exercise: To fund a Needs/Hazards Assessment of the existing HazMat transportation conditions in the City, create a database and GIS maps to document existing facilities and thoroughfares that use or transport Hazardous Materials, and share the data with the existing EOC software programs and all first responders. This data would also be used to design, conduct, and evaluate a full-scale exercise that evaluates the current readiness levels of the EOC, field response crews, and CERT volunteers to determine future needs. The scenario will involve a tanker truck accident and resulting spill. Results of the assessment and exercise lessons learned will directly relate to an intended 2013-14 application to fund the development of a HazMat Transportation Emergency Area Plan. \$10,422.
- **Trinity County** - Rural HazMat Decon Team Revitalization Project: Project is to design and conduct a multi-jurisdictional, multi-discipline full-scale HazMat exercise involving a transportation element, including the decontamination of ambulatory and non-ambulatory victims and responders. An after-action report and corrective action plan will support future updates to the HazMat Area Plan. Supplies and equipment necessary to support this exercise – and future training, exercises, and responses – include Level B Chemical Protective Clothing, ICS ID vests, and a transport trailer. The \$10,880 being requested is 40% of the identified Total Project Costs versus the allowable 80%. This project will deliver long-term life safety benefits to responders by improving timeliness and effectiveness of essential victim & responder decontamination and by improving coordination between local and regional HazMat response resources. \$10,880.

13 Priorities

A minimum of 75% of the HMEP Planning grant allocation is made available to the LEPCs for allowable projects via a sub-grant process that requires the LEPCs to approve and prioritize all applications for their region.

14 Eligible Project Types

- Project **MUST** be HazMat and Transportation related.
- Development, improvement, and implementation of emergency plans required under the EPCRA.
- Enhancement of emergency plans, including hazards analysis, and response procedures for emergencies involving transportation of hazardous materials, including radioactive materials.
- An assessment to determine the flow patterns of hazardous materials within the state, between states or Native American lands, and development and maintenance of a system to keep such information current.
- An assessment of the need for regional hazardous materials

		<p>emergency response teams.</p> <ul style="list-style-type: none"> • An assessment of local response capabilities. • HazMat emergency response drills and exercises to test capabilities and identify gaps in training. (Allowable costs include planning and design, participation, evaluation, and after action review costs.) • Provision of technical staff to support the planning effort. • Additional activities appropriate to implement the scope of work for the proposed project plan and approved in the grant. (These activities must be approved by Cal EMA before initiated.)
15	Ineligible Activities	<ul style="list-style-type: none"> • Costs incurred outside the performance period. • Equipment purchases – Some equipment necessary for the completion of allowable project activities may be approved on a case-by-case basis, but will likely be funded at less than 80 percent of the total cost. • Overtime wages or Call Backs/Backfill • Food items • Software – with the exception of CAMEO • Weapons of Mass Destruction (WMD) planning or exercise activities • All-hazards or fixed-facility only planning or exercise activities • Community Emergency Response Team (CERT), Neighborhood Watch, and other community planning organization activities
16	Project Readiness	The grant performance period is October 1 through September 30.
HOW TO APPLY		
17	Application Requirements	<ul style="list-style-type: none"> • Application Form • Project Narrative (limited to two pages) • Designation Statement • Budget Worksheet and Budget Narrative • Work Schedule and Deliverables Form • Grant Assurances
18	Submission Requirements	Eligible public agencies must submit their planning grant applications to the LEPCs for review, prioritization, and approval.
HOW APPLICATIONS WILL BE SCORED		
19	Evaluation Criteria and Process	<ul style="list-style-type: none"> • Each LEPC is responsible for evaluating, approving and prioritizing the HMEP Planning sub-grant applications from within their region. • Once Cal EMA receives the applications, they are evaluated to determine if they are allowable, reasonable, and allocable to the HMEP grant program. • Additionally, the project is evaluated against the goals, objectives, and planning priorities for that grant cycle and whether the criteria listed on the application forms' instructions have been met. • Awards are expected September 30, 2013.

WHO TO CONTACT

20	Agency	Cal EMA
21	Contact Name/Phone Number	Neverley Shoemake at: (916) 845-8765 or neverley.shoemake@calema.ca.gov
22	Web Site	http://www.calema.ca.gov/HazardousMaterials/Pages/HMEP-Grant.aspx

**LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) CHAIRS
CALIFORNIA EMERGENCY MANAGEMENT AGENCY (CALEMA) STAFF**

Planning: Neverley Shoemake (916) 845-8765; CSTI Training: Susan Kocher (805) 549-3534 or Annabelle Dixon (805) 549-3544
E-mail: neverley.shoemake@calema.ca.gov; susan.kocher@calema.ca.gov; Annabelle.dixon@calema.ca.gov

Chair	CalEMA Staff
<p><u>Region I</u> RANDY ALVA Los Angeles County Fire Department 18239 W. Soledad Canyon Road Canyon Country, CA 91351 Phone: (510) 238-7759 E-mail: aalva@fire.lacounty.gov</p>	<p><u>Region I</u> JERI SIEGEL CalEMA, Southern Region 4671 Liberty Avenue Los Alamitos, CA 90720-5158 Phone: (805) 473-3035; Fax. (805) 679-1996 E-mail: jeri.seigel@calema.ca.gov</p>
<p><u>Region II</u> DAVE DEARBORN California Highway Patrol 1551 Benicia Road Vallejo, CA 94591 Phone: (707) 373-7719 E-mail: ddearborn@chp.ca.gov</p>	<p><u>Region II</u> SANDRA MCKENZIE CalEMA, Coastal Region 1300 Clay Street, Suite 400 Oakland, CA 94612 Phone: (510) 286-6748; Fax. (510) 286-0853 E-mail: sandra.mckenzie@calema.ca.gov</p>
<p><u>Region III</u> WILLIAM FULLER Yuba City Fire Department 824 Clark Avenue Yuba City, CA 95991 Phone: (530) 822-4809; Fax. (530) 822-7561 E-mail: wfuller@yubacity.net</p>	<p><u>Region III</u> DEBORAH VERCAMMEN CalEMA, Inland Region (North) 20645 Gas Point Rd. Cottonwood, CA 96022 Phone: (530) 347-6494; Fax. (530) 347-6456 E-mail: deborah.vercammen@calema.ca.gov</p>
<p><u>Region IV</u> MICHAEL PARISSI San Joaquin County Environmental Health Department 1868 East Hazelton Avenue Stockton, CA 95205 Phone: (209) 953-6213; Fax: (209) 468-3433 E-mail: dave.johnston@edcgov.us</p>	<p><u>Region IV</u> DANA OWENS CalEMA, Inland Region 3650 Schriever Avenue Mather, CA 95655 Phone: (916) 845-8482; Fax. (916) 845-8474 E-mail: dana.owens@calema.ca.gov</p>
<p><u>Region V</u> CRAIG PERKINS Bakersfield Fire Department 2101 H Street Bakersfield, CA 93301 Phone: (661) 326-3684; Fax: (661) 852-2171 E-mail: ctperkins@bakersfieldfire.us</p>	<p><u>Region V</u> KEVIN NAGATA CalEMA, Inland Region (South) 2550 Mariposa Mall, Room 181 Fresno, CA 93721 Phone: (559) 445-6125; Fax. (559) 445-5987 E-mail: kevin.nagata@calema.ca.gov</p>
<p><u>Region VI</u> NICK VENT County of San Diego Hazardous Materials Division P.O. Box 129261 San Diego, CA 92112-9261 Phone: (858) 505-6693; Fax. (858) 694-3705 E-mail: nick.vent@sdcounty.ca.gov</p>	<p><u>Region VI</u> JOANNE PHILLIPS CalEMA, Southern Region 4050 Taylor Street, M5243 San Diego, CA 92110 Phone: (619) 220-5369; Fax. (619) 278-3793 E-mail: joanne.phillips@calema.ca.gov</p>

Revision date: 5/13/2013



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

MAR 14 2013

CERTIFIED MAIL NO.:
RETURN RECEIPT REQUESTED
In Reply Refer to:
Rancho San Pedro Terminal, San Pedro, CA

Mr. Tony Puckett
Rancho LPG Holdings, LLC
2110 North Gaffey Street
San Pedro, California 90731

RE: Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act

Dear Mr. Puckett:

On April 14, 2010, and January 11, 2011, the U.S. Environmental Protection Agency ("EPA") conducted inspections at the San Pedro Terminal ("the Facility") owned by Plains LPG Services and operated by Rancho LPG Holdings, LLC (the "Companies") at 2110 North Gaffey Street, in San Pedro, California. The purpose of the inspections and subsequent information requests were to evaluate the Companies' compliance with the requirements under Section 112(r) of the Clean Air Act ("CAA").

Based upon the information obtained during our investigation, EPA is prepared to initiate a civil administrative action against the Companies to ensure compliance with federal law and assess a penalty pursuant to Section 113 of the CAA, 42 U.S.C. § 7413. The anticipated allegation includes violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and its implementing regulations.

Specifically, the anticipated allegations against the Companies include:

1. The Companies failed to identify and assess its rail storage area as a process for inclusion in its Risk Management Plan ("RMP"). The rail storage area should have been included as a covered process where a regulated substance was present above a threshold quantity when it submitted an RMP. As a result, the Companies failed to conduct a hazard assessment of that process, in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.12(a) and (b).

2. The Companies failed to adequately evaluate potential seismic stresses on the support structure for the emergency flare in accordance with design codes. As a consequence, the Companies violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.65(a) and(d)(2-3), which requires that the owner or operator ensure that complete process safety information is compiled on the technology of the process and that the equipment complies with recognized and generally accepted good engineering practices.
3. The Companies did not appropriately address the consequences of a loss of the city water system for fire suppression in the event of an earthquake. This omission is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.67(c)(4), which requires that the owner or operator address the consequences of the failure of engineering and administrative controls in the process hazard analysis.
4. The Companies failed to internally inspect Tank 1 according to a timetable set forth in API Standard 653, in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.73(d)(2), which require that the owner or operator ensure that inspection and testing procedures follow recognized and generally accepted good engineering practices.
5. The Facility's emergency response plan identified the facility as a responding facility for which employees will take response action in the event of a release, per 40 C.F.R. 68.90(a). However, the Facility's emergency response plan developed under paragraph (a)(1) of that part was not coordinated with the community emergency response plan developed under 42 U.S.C. 11003. In addition, the Facility Manager and employees stated to EPA that they are not emergency responders for the Facility, but are only authorized to take life safety and evacuation actions. The Companies failed to develop and implement an emergency response program for the purpose of protecting public health and the environment, including at a minimum, procedures for informing the public and emergency response agencies in the event of a release. The Facility failed to clearly indicate to their own employees whether they would be emergency responders or would evacuate. This is in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.95(a)(1)(i), which requires an owner or operator to develop and implement an emergency response program including a plan that shall be maintained at the stationary source and contain procedures for informing the public and local emergency response agencies about accidental releases.
6. The Companies failed to ensure that the drain pipe located in the base of the containment basin and the valve located near Gaffey Street were included in the mechanical integrity program. This is in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.73(d), which requires inspection and testing procedures to follow recognized and generally accepted good engineering practices.

Before filing a Determination of Violation, Compliance Order and Notice of Right to Request a Hearing ("Complaint"), EPA is extending to the Companies an opportunity to advise EPA of any other information that the Companies believes should be considered before the filing of such a Complaint. Relevant information may include any evidence of reliance on compliance assistance, additional compliance tasks performed subsequent to the inspection, or financial factors bearing on the ability to pay a civil penalty.

Your response to this letter must be made by a letter, signed by a person or persons duly authorized to represent the Companies. Please send any such response by certified mail, return receipt requested, addressed to:

Ms. Mary Wesling (SFD-9-3)
Environmental Scientist
U.S. EPA Region IX
75 Hawthorne St.
San Francisco, CA 94105

Please provide such information by no later than April 15, 2013. EPA anticipates filing a Complaint in this matter on or about May 15, 2013, unless the Companies first advise EPA, with supporting information, of substantial reasons not to proceed as planned. Any penalty proposed for violation of the CAA will be calculated pursuant to EPA's "Final Combined Enforcement Policy for the Clean Air Act Section 112(r)(1), the General Duty Clause, and Clean Air Act Section 112(r)(7) and 40 C.F.R. Part 68, Chemical Accident Prevention Provisions," dated June 20, 2012, a copy of which is enclosed (the "Penalty Policy"). Civil penalties may be mitigated, under the EPA "Supplemental Environmental Projects Policy,"¹ which describes the terms under which a commitment to perform an environmental project may mitigate, in part, a civil penalty. Even if the Companies are unaware of any mitigating or exculpatory factors, EPA is extending to the Companies the opportunity to commence settlement discussions concerning the above described violations.

Additionally, to fully consider application of the Penalty Policy, EPA is additionally requesting responses to specific questions set forth below. EPA makes this request for information pursuant to 42 U.S.C. § 7414(a). Failure to comply with the information request in this letter may result in enforcement action being taken in accordance with Section 113 of the Act, 42 U.S.C. § 7413. This may include civil and administrative penalties of up to \$37,500 per day of noncompliance, pursuant to section 113(b)(2) and 113(d) of the Act, 42 U.S.C. §§ 7413(b)(2) and 7413(d). Instructions regarding the requests also are set forth below.

///

¹<http://www.epa.gov/compliance/resources/policies/civil/seps/fn\sup-hermn-mem.pdf>, and <http://cfpub.epa.gov/compliance/resources/policies/civil/seps/>.

If there are any questions, please contact Mary Wesling of my staff at (415) 972-3080 or Wesling.Mary@epa.gov. Please direct any questions or inquiries from legal counsel to Andrew Helmlinger, EPA Counsel, at (415) 972-3904 or Helmlinger.Andrew@epa.gov.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Meer', with a long horizontal flourish extending to the right.

Daniel A. Meer, Assistant Director
Superfund Division

Enclosures:

Final CAA §112(r) Combined Enforcement Policy

cc (w/enclosures):

T. Puckett, Plains LPG Services, LLC, Houston, TX
M. Wesling, U.S. EPA Region IX
A. Helmlinger, U.S. EPA Region IX

ENCLOSURE

INSTRUCTIONS

1. Please provide a separate response to each request, and identify each response by the number of the request to which it corresponds. For each document produced, identify the request to which it is responsive.
2. Knowledge or information that has not been memorialized in any document, but is nonetheless responsive to a request, must be provided in a narrative form.
3. The scope of this Information Request includes all information and documents obtained or independently developed by the Companies, their attorneys, consultants or any of their agents, consultants, or employees.
4. The Companies may not withhold any information from EPA on the grounds that it is confidential business information. EPA has promulgated regulations, under 40 C.F.R. Part 2, Subpart B, to protect confidential business information that it receives. The Companies may assert a business confidentiality claim (in the manner specified in 40 C.F.R. § 2.203(b)) for all or part of the information requested by EPA. However, business information is entitled to confidential treatment only if it satisfies the criteria set forth in 40 C.F.R. § 2.208. EPA will disclose business information entitled to confidential treatment only as authorized by 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies the information at the time EPA receives it, EPA may make it available to the public without further notice.
5. Notice is hereby given, pursuant to 40 C.F.R. § 2.310(h), that EPA may disclose confidential information provided by the Companies to EPA's authorized representatives, including its contractor, Science Applications International Corporation ("SAIC"). Confidential information may be disclosed to EPA's authorized representatives for the following reasons: to assist with document handling, inventory and indexing; to assist with document review and analysis for verification of completeness; and to provide expert technical review of the contents of the response. Pursuant to 40 C.F.R. § 2.310(h), the Companies may submit, along with its response to this Information Request, any comments regarding EPA's disclosure of confidential information to its authorized representatives.
6. If information or documents not known or available to the Companies at the time of any response to this Information Request later become known or available to it, it must supplement its response to EPA. Moreover, should the Companies find at any time after the submission of any response that any portion of the submitted information is false or misrepresents the truth, the Companies must notify EPA as soon as possible and provide EPA with a corrected response.
7. If information responsive to a request is not in the Companies' possession, custody, or control, identify the persons or entities from whom such information may be obtained. For each individual or entity that possesses responsive information, please provide the following: name, last known or current address, telephone number, and affiliation with the Companies or the Facility.

8. If you believe that there are grounds for withholding information or documents that are responsive to this request, e.g., attorney-client privilege, you must identify the information or documents and state the basis for withholding.

INFORMATION REQUEST

1. Provide cost information for the development and implementation of the Facility's RMP. Disaggregate the RMP development costs by capital and one-time non-depreciable expenses. Regarding implementation costs, provide actual or estimated incremental (above the Facility's previously existing level-of-effort) annually recurring costs (e.g. Operation & Maintenance).
2. Provide a statement and supporting documentation indicating the Companies' present net worth.

SUSAN BROOKS, MAYOR

JERRY V. DUHOVIC, MAYOR PRO TEM

June 18, 2013

BRIAN CAMPBELL, COUNCILMAN

JIM KNIGHT, COUNCILMAN

ANTHONY M. MISETICH, COUNCILMAN

The Honorable Janice Hahn
44th Congressional District of California
United States House of Representatives
400 Cannon House Office Building
Washington, DC 20515

SUBJECT: Resolution of Issues Related to the Rancho LPG Facility, 2110 North Gaffey Street, San Pedro, California

Dear Congresswoman Hahn:

During your tenure on the Los Angeles City Council and in your current capacity representing the 44th Congressional District of California, my City Council colleagues and I have very much appreciated your leadership in addressing community concerns about the Rancho LPG facility. As you know, the operation of this facility has potential impacts upon residents in both the cities of the 44th District and residents on the Palos Verdes Peninsula in the adjoining 33rd District. Our City Council receives regular updates related to the facility from our Staff. However, there are several issues for which we have sought (unsuccessfully) answers to our questions about the facility, and for which we now turn to you for assistance.

Rancho LPG Insurance Information

At a public meeting before the Rancho Palos Verdes City Council in October 2012, a representative of Rancho LPG expressed willingness to provide our City with information about the insurance and liability coverage for the Rancho LPG facility. However, in January 2013, Rancho LPG subsequently refused to provide this information on the grounds that it was "proprietary information" (see enclosures). We seek any assistance that you can provide in obtaining copies of Rancho LPG's insurance information.

Chief Legislative Analyst's Recommendations

In February 2013, the Chief Legislative Analyst's (CLA) Office of the City of Los Angeles released its report on "Safety Regulations and Precautions at Liquefied Petroleum Gas (LPG) Facilities." The report was prepared in response to several motions by your successor, 15th District Los Angeles City Councilman Joe Buscaino. After summarizing

the legislative and regulatory background affecting the Rancho LPG facility in its report, the CLA made two (2) recommendations:

1. Instruct the Fire Department to develop potential options for a community outreach effort and preparedness exercise with City departments and stakeholders in the San Pedro area, including the facility operator, local Neighborhood Councils, homeowner groups, and other community based organizations.
2. Instruct the Fire Department and Department of Building and Safety, with the assistance of the Chief Legislative Analyst, to report back with a list of inspections conducted by non-City agencies at liquid bulk storage facilities that would benefit City agencies by receiving automatic notification of inspection deficiencies.

Recently, we forwarded to Councilman Buscaino's staff information about a possible grant funding opportunity for emergency preparedness that might help to implement the CLA's recommendations (see enclosure). We would appreciate any assistance that you might offer to the City of Los Angeles in pursuing these grant funds to assist in the implementation of the CLA's recommendations regarding the Rancho LPG facility.

Environmental Protection Agency Enforcement Action

In March 2013, the U.S. Environmental Protection Agency (EPA) issued a "Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act" to the Rancho LPG facility (see enclosure). This notice apparently stemmed from site inspections conducted by the EPA in 2010 and 2011. The allegations against Rancho LPG include:

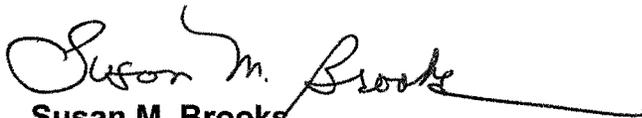
- Failing to include the rail storage area of the site in its Risk Management Plan;
- Failing to adequately evaluate seismic impacts upon the facility's emergency flare;
- Failing to address the consequences of a loss of City water for fire suppression during an earthquake;
- Failing to conduct a timely internal inspection of Tank 1 (i.e., one of the 12½-million-gallon butane storage tanks);
- Failing to develop an Emergency Response Plan to protect public health and the environment; and,
- Failing to include a drain pipe and valve in the containment basin in the Mechanical Integrity Program.

Congresswoman Janice Hahn
June 18, 2013
Page 3

Rancho LPG was given until April 15, 2013, to file responses to EPA's allegations. Our Staff contacted the EPA on May 6, 2013, to inquire into the status of Rancho LPG's response, but we have received no response to our inquiry from EPA. We seek your assistance in getting an update from EPA in this matter.

Again, I thank you for your continued leadership in addressing this issue affecting all of our constituents. If you have questions or need additional information, please contact Senior Administrative Analyst Kit Fox at (310) 544-5226 or kittf@rpv.com.

Sincerely yours,


Susan M. Brooks
Mayor

enclosures

cc: Rancho Palos Verdes City Council
Carolyn Lehr, Rancho Palos Verdes City Manager
Mayor Margaret Estrada and the Lomita City Council
Michael Rock, Lomita City Manager
Mayor James F. Goodhart and the Palos Verdes Estates City Council
Anton Dahlerbruch, Palos Verdes Estates City Manager
Mayor Frank E. Hill and the Rolling Hills City Council
Steve Burrell, Rolling Hills Interim City Manager
Mayor Frank V. Zerunyan and the Rolling Hills Estates City Council
Doug Prichard, Rolling Hills Estates City Manager
Kit Fox, Senior Administrative Analyst



RANCHO

LPG Holdings LLC

John H. Kyles
Senior Attorney

Phone: (713) 993-5136
Fax: (713) 646-4216

January 29, 2013

Carol W. Lynch, Esq.
City Attorney, City of Rancho Palos Verdes
c/o: Richards, Watson & Gershon
355 South Grand Avenue 40th Floor
Los Angeles, CA 90071

RE: Rancho LPG Holdings LLC
San Pedro Terminal, 2110 North Gaffey, San Pedro, CA

City of Rancho Palos Verdes, CA Information Request Response
(Plains File: L6686A)

Dear Ms. Lynch,

You and Mr. Kit Fox have inquired about the insurance coverage that Rancho LPG has in place in case of a catastrophic event involving the storage tanks at Rancho's facility. After internal review, Rancho LPG has concluded that the requested information is proprietary. Therefore, Rancho will not make the insurance policies and their details available to the City.

However, Rancho LPG wants Rancho Palos Verdes City government to know that Rancho works closely with its underwriters and has been advised that Rancho has an appropriate level of insurance for a facility of this type.

Thank you for your consideration and cooperation in this matter.

Sincerely,

John H. Kyles

Cc:

Kit Fox, AICP
Senior Admin Analyst
City Manager's Office
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho, Palos Verdes, CA
90275

Ron Conrow
Western District Manager
Plains LPG Services, LP
Shafter, CA

Dan Johansen
San Pedro Terminal
2110 North Gaffey,
San Pedro, CA 90731

Scott Sill
Managing Director, LPG Operations
1400, 607-8 Avenue SW
Calgary AB T2POA7

Hon. Rudy Svorinich, Jr.
1891 N. Gaffey Street
Suite 221
San Pedro, CA 90731

FACT SHEET

CalEMA Hazardous Materials Emergency Preparedness Grant (HMEP)

Funding Information and Application Requirements

FAST FACTS

1	Application Deadline	<p>Applications are due to California's Local Emergency Planning Committees (LEPCs) approximately July 15, 2013. Check with your LEPC chair to confirm their internal deadline date. LEPCs contact information is located at the end of this fact sheet.</p> <p>LEPCs are to submit applications to Cal EMA by August 15, 2013.</p>
2	Workshops (if any)	There are no workshops scheduled at this time.
3	Eligible Applicants	<p>State or local agencies and federally recognized tribal governments.</p> <p>Local governments are defined as, "A county, municipality, city, town, township, local public authority such as school district, special district, intrastate district, council of governments...any other regional or interstate government entity, or any agency or instrumentality of a local government."</p>
4	Purpose of Program	For public sector planning and training in support of the emergency planning and training efforts of States, Indian tribes, and local communities to deal with hazardous materials emergencies, particularly those involving transportation.
5	Success Rate Last Year	<p>2012: 11 applications were received and nine were funded. Success rate was 82 percent.</p> <p>2011: 15 applications were received and all were funded. Success rate was 100 percent.</p>
6	Authorizing Resolution Required?	Not stated as required.

FUNDING INFORMATION

7	Total Funds Available	Anticipated funding \$738,380.
8	High, Low, Average Grant Last Year	High: \$64,000; Average: \$27,753; Low: \$10,422
9	Maximum Funding Request	There is no stated maximum.
10	Local Match Required	20 percent of the total cost of the approved project with non-Federal funds.
11	Funding Cycle	Annual

PROJECT INFORMATION

12	Examples of Funded Projects	<ul style="list-style-type: none"> • Corona Fire Department – Area Plan Update: a minimum of 75% of the HMEP Planning grant allocation is made available to the LEPCs for allowable projects via a sub-grant process that requires the LEPCs to approve and prioritize all applications for
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their region. \$11,000.

- **City of Lancaster** – HazMat Needs/Hazards Assessment and Response Exercise: To fund a Needs/Hazards Assessment of the existing HazMat transportation conditions in the City, create a database and GIS maps to document existing facilities and thoroughfares that use or transport Hazardous Materials, and share the data with the existing EOC software programs and all first responders. This data would also be used to design, conduct, and evaluate a full-scale exercise that evaluates the current readiness levels of the EOC, field response crews, and CERT volunteers to determine future needs. The scenario will involve a tanker truck accident and resulting spill. Results of the assessment and exercise lessons learned will directly relate to an intended 2013-14 application to fund the development of a HazMat Transportation Emergency Area Plan. \$10,422.
- **Trinity County** - Rural HazMat Decon Team Revitalization Project: Project is to design and conduct a multi-jurisdictional, multi-discipline full-scale HazMat exercise involving a transportation element, including the decontamination of ambulatory and non-ambulatory victims and responders. An after-action report and corrective action plan will support future updates to the HazMat Area Plan. Supplies and equipment necessary to support this exercise – and future training, exercises, and responses – include Level B Chemical Protective Clothing, ICS ID vests, and a transport trailer. The \$10,880 being requested is 40% of the identified Total Project Costs versus the allowable 80%. This project will deliver long-term life safety benefits to responders by improving timeliness and effectiveness of essential victim & responder decontamination and by improving coordination between local and regional HazMat response resources. \$10,880.

13 Priorities

A minimum of 75% of the HMEP Planning grant allocation is made available to the LEPCs for allowable projects via a sub-grant process that requires the LEPCs to approve and prioritize all applications for their region.

14 Eligible Project Types

- Project **MUST** be HazMat and Transportation related.
- Development, improvement, and implementation of emergency plans required under the EPCRA.
- Enhancement of emergency plans, including hazards analysis, and response procedures for emergencies involving transportation of hazardous materials, including radioactive materials.
- An assessment to determine the flow patterns of hazardous materials within the state, between states or Native American lands, and development and maintenance of a system to keep such information current.
- An assessment of the need for regional hazardous materials

		<p>emergency response teams.</p> <ul style="list-style-type: none"> • An assessment of local response capabilities. • HazMat emergency response drills and exercises to test capabilities and identify gaps in training. (Allowable costs include planning and design, participation, evaluation, and after action review costs.) • Provision of technical staff to support the planning effort. • Additional activities appropriate to implement the scope of work for the proposed project plan and approved in the grant. (These activities must be approved by Cal EMA before initiated.)
15	Ineligible Activities	<ul style="list-style-type: none"> • Costs incurred outside the performance period. • Equipment purchases – Some equipment necessary for the completion of allowable project activities may be approved on a case-by-case basis, but will likely be funded at less than 80 percent of the total cost. • Overtime wages or Call Backs/Backfill • Food items • Software – with the exception of CAMEO • Weapons of Mass Destruction (WMD) planning or exercise activities • All-hazards or fixed-facility only planning or exercise activities • Community Emergency Response Team (CERT), Neighborhood Watch, and other community planning organization activities
16	Project Readiness	The grant performance period is October 1 through September 30.
HOW TO APPLY		
17	Application Requirements	<ul style="list-style-type: none"> • Application Form • Project Narrative (limited to two pages) • Designation Statement • Budget Worksheet and Budget Narrative • Work Schedule and Deliverables Form • Grant Assurances
18	Submission Requirements	Eligible public agencies must submit their planning grant applications to the LEPCs for review, prioritization, and approval.
HOW APPLICATIONS WILL BE SCORED		
19	Evaluation Criteria and Process	<ul style="list-style-type: none"> • Each LEPC is responsible for evaluating, approving and prioritizing the HMEP Planning sub-grant applications from within their region. • Once Cal EMA receives the applications, they are evaluated to determine if they are allowable, reasonable, and allocable to the HMEP grant program. • Additionally, the project is evaluated against the goals, objectives, and planning priorities for that grant cycle and whether the criteria listed on the application forms' instructions have been met. • Awards are expected September 30, 2013.

WHO TO CONTACT

20	Agency	Cal EMA
21	Contact Name/Phone Number	Neverley Shoemake at: (916) 845-8765 or neverley.shoemake@calema.ca.gov
22	Web Site	http://www.calema.ca.gov/HazardousMaterials/Pages/HMEP-Grant.aspx

**LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) CHAIRS
CALIFORNIA EMERGENCY MANAGEMENT AGENCY (CALEMA) STAFF**

Planning: Neverley Shoemake (916) 845-8765; CSTI Training: Susan Kocher (805) 549-3534 or Annabelle Dixon (805) 549-3544
E-mail: neverley.shoemake@calema.ca.gov; susan.kocher@calema.ca.gov; Annabelle.dixon@calema.ca.gov

Chair	CalEMA Staff
<p><u>Region I</u> RANDY ALVA Los Angeles County Fire Department 18239 W. Soledad Canyon Road Canyon Country, CA 91351 Phone: (510) 238-7759 E-mail: aalva@fire.lacounty.gov</p>	<p><u>Region I</u> JERI SIEGEL CalEMA, Southern Region 4671 Liberty Avenue Los Alamitos, CA 90720-5158 Phone: (805) 473-3035; Fax. (805) 679-1996 E-mail: jeri.seigel@calema.ca.gov</p>
<p><u>Region II</u> DAVE DEARBORN California Highway Patrol 1551 Benicia Road Vallejo, CA 94591 Phone: (707) 373-7719 E-mail: ddearborn@chp.ca.gov</p>	<p><u>Region II</u> SANDRA MCKENZIE CalEMA, Coastal Region 1300 Clay Street, Suite 400 Oakland, CA 94612 Phone: (510) 286-6748; Fax. (510) 286-0853 E-mail: sandra.mckenzie@calema.ca.gov</p>
<p><u>Region III</u> WILLIAM FULLER Yuba City Fire Department 824 Clark Avenue Yuba City, CA 95991 Phone: (530) 822-4809; Fax. (530) 822-7561 E-mail: wfuller@yubacity.net</p>	<p><u>Region III</u> DEBORAH VERCAMMEN CalEMA, Inland Region (North) 20645 Gas Point Rd. Cottonwood, CA 96022 Phone: (530) 347-6494; Fax. (530) 347-6456 E-mail: deborah.vercammen@calema.ca.gov</p>
<p><u>Region IV</u> MICHAEL PARISSI San Joaquin County Environmental Health Department 1868 East Hazelton Avenue Stockton, CA 95205 Phone: (209) 953-6213; Fax: (209) 468-3433 E-mail: dave.johnston@edcgov.us</p>	<p><u>Region IV</u> DANA OWENS CalEMA, Inland Region 3650 Schriever Avenue Mather, CA 95655 Phone: (916) 845-8482; Fax. (916) 845-8474 E-mail: dana.owens@calema.ca.gov</p>
<p><u>Region V</u> CRAIG PERKINS Bakersfield Fire Department 2101 H Street Bakersfield, CA 93301 Phone: (661) 326-3684; Fax: (661) 852-2171 E-mail: ctperkins@bakersfieldfire.us</p>	<p><u>Region V</u> KEVIN NAGATA CalEMA, Inland Region (South) 2550 Mariposa Mall, Room 181 Fresno, CA 93721 Phone: (559) 445-6125; Fax. (559) 445-5987 E-mail: kevin.nagata@calema.ca.gov</p>
<p><u>Region VI</u> NICK VENT County of San Diego Hazardous Materials Division P.O. Box 129261 San Diego, CA 92112-9261 Phone: (858) 505-6693; Fax. (858) 694-3705 E-mail: nick.vent@sdcounty.ca.gov</p>	<p><u>Region VI</u> JOANNE PHILLIPS CalEMA, Southern Region 4050 Taylor Street, M5243 San Diego, CA 92110 Phone: (619) 220-5369; Fax. (619) 278-3793 E-mail: joanne.phillips@calema.ca.gov</p>

Revision date: 5/13/2013



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

MAR 14 2013

CERTIFIED MAIL NO.:
RETURN RECEIPT REQUESTED
In Reply Refer to:
Rancho San Pedro Terminal, San Pedro, CA

Mr. Tony Puckett
Rancho LPG Holdings, LLC
2110 North Gaffey Street
San Pedro, California 90731

RE: Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act

Dear Mr. Puckett:

On April 14, 2010, and January 11, 2011, the U.S. Environmental Protection Agency ("EPA") conducted inspections at the San Pedro Terminal ("the Facility") owned by Plains LPG Services and operated by Rancho LPG Holdings, LLC (the "Companies") at 2110 North Gaffey Street, in San Pedro, California. The purpose of the inspections and subsequent information requests were to evaluate the Companies' compliance with the requirements under Section 112(r) of the Clean Air Act ("CAA").

Based upon the information obtained during our investigation, EPA is prepared to initiate a civil administrative action against the Companies to ensure compliance with federal law and assess a penalty pursuant to Section 113 of the CAA, 42 U.S.C. § 7413. The anticipated allegation includes violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and its implementing regulations.

Specifically, the anticipated allegations against the Companies include:

1. The Companies failed to identify and assess its rail storage area as a process for inclusion in its Risk Management Plan ("RMP"). The rail storage area should have been included as a covered process where a regulated substance was present above a threshold quantity when it submitted an RMP. As a result, the Companies failed to conduct a hazard assessment of that process, in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.12(a) and (b).

2. The Companies failed to adequately evaluate potential seismic stresses on the support structure for the emergency flare in accordance with design codes. As a consequence, the Companies violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.65(a) and(d)(2-3), which requires that the owner or operator ensure that complete process safety information is compiled on the technology of the process and that the equipment complies with recognized and generally accepted good engineering practices.
3. The Companies did not appropriately address the consequences of a loss of the city water system for fire suppression in the event of an earthquake. This omission is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.67(c)(4), which requires that the owner or operator address the consequences of the failure of engineering and administrative controls in the process hazard analysis.
4. The Companies failed to internally inspect Tank 1 according to a timetable set forth in API Standard 653, in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.73(d)(2), which require that the owner or operator ensure that inspection and testing procedures follow recognized and generally accepted good engineering practices.
5. The Facility's emergency response plan identified the facility as a responding facility for which employees will take response action in the event of a release, per 40 C.F.R. 68.90(a). However, the Facility's emergency response plan developed under paragraph (a)(1) of that part was not coordinated with the community emergency response plan developed under 42 U.S.C. 11003. In addition, the Facility Manager and employees stated to EPA that they are not emergency responders for the Facility, but are only authorized to take life safety and evacuation actions. The Companies failed to develop and implement an emergency response program for the purpose of protecting public health and the environment, including at a minimum, procedures for informing the public and emergency response agencies in the event of a release. The Facility failed to clearly indicate to their own employees whether they would be emergency responders or would evacuate. This is in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.95(a)(1)(i), which requires an owner or operator to develop and implement an emergency response program including a plan that shall be maintained at the stationary source and contain procedures for informing the public and local emergency response agencies about accidental releases.
6. The Companies failed to ensure that the drain pipe located in the base of the containment basin and the valve located near Gaffey Street were included in the mechanical integrity program. This is in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.73(d), which requires inspection and testing procedures to follow recognized and generally accepted good engineering practices.

Before filing a Determination of Violation, Compliance Order and Notice of Right to Request a Hearing ("Complaint"), EPA is extending to the Companies an opportunity to advise EPA of any other information that the Companies believes should be considered before the filing of such a Complaint. Relevant information may include any evidence of reliance on compliance assistance, additional compliance tasks performed subsequent to the inspection, or financial factors bearing on the ability to pay a civil penalty.

Your response to this letter must be made by a letter, signed by a person or persons duly authorized to represent the Companies. Please send any such response by certified mail, return receipt requested, addressed to:

Ms. Mary Wesling (SFD-9-3)
Environmental Scientist
U.S. EPA Region IX
75 Hawthorne St.
San Francisco, CA 94105

Please provide such information by no later than April 15, 2013. EPA anticipates filing a Complaint in this matter on or about May 15, 2013, unless the Companies first advise EPA, with supporting information, of substantial reasons not to proceed as planned. Any penalty proposed for violation of the CAA will be calculated pursuant to EPA's "Final Combined Enforcement Policy for the Clean Air Act Section 112(r)(1), the General Duty Clause, and Clean Air Act Section 112(r)(7) and 40 C.F.R. Part 68, Chemical Accident Prevention Provisions," dated June 20, 2012, a copy of which is enclosed (the "Penalty Policy"). Civil penalties may be mitigated, under the EPA "Supplemental Environmental Projects Policy,"¹ which describes the terms under which a commitment to perform an environmental project may mitigate, in part, a civil penalty. Even if the Companies are unaware of any mitigating or exculpatory factors, EPA is extending to the Companies the opportunity to commence settlement discussions concerning the above described violations.

Additionally, to fully consider application of the Penalty Policy, EPA is additionally requesting responses to specific questions set forth below. EPA makes this request for information pursuant to 42 U.S.C. § 7414(a). Failure to comply with the information request in this letter may result in enforcement action being taken in accordance with Section 113 of the Act, 42 U.S.C. § 7413. This may include civil and administrative penalties of up to \$37,500 per day of noncompliance, pursuant to section 113(b)(2) and 113(d) of the Act, 42 U.S.C. §§ 7413(b)(2) and 7413(d). Instructions regarding the requests also are set forth below.

///

¹<http://www.epa.gov/compliance/resources/policies/civil/seps/fn\sup-hermn-mem.pdf>, and <http://cfpub.epa.gov/compliance/resources/policies/civil/seps/>.

If there are any questions, please contact Mary Wesling of my staff at (415) 972-3080 or Wesling.Mary@epa.gov. Please direct any questions or inquiries from legal counsel to Andrew Helmlinger, EPA Counsel, at (415) 972-3904 or Helmlinger.Andrew@epa.gov.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Meer', with a long horizontal flourish extending to the right.

Daniel A. Meer, Assistant Director
Superfund Division

Enclosures:

Final CAA §112(r) Combined Enforcement Policy

cc (w/enclosures):

T. Puckett, Plains LPG Services, LLC, Houston, TX
M. Wesling, U.S. EPA Region IX
A. Helmlinger, U.S. EPA Region IX

ENCLOSURE

INSTRUCTIONS

1. Please provide a separate response to each request, and identify each response by the number of the request to which it corresponds. For each document produced, identify the request to which it is responsive.
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3. The scope of this Information Request includes all information and documents obtained or independently developed by the Companies, their attorneys, consultants or any of their agents, consultants, or employees.
4. The Companies may not withhold any information from EPA on the grounds that it is confidential business information. EPA has promulgated regulations, under 40 C.F.R. Part 2, Subpart B, to protect confidential business information that it receives. The Companies may assert a business confidentiality claim (in the manner specified in 40 C.F.R. § 2.203(b)) for all or part of the information requested by EPA. However, business information is entitled to confidential treatment only if it satisfies the criteria set forth in 40 C.F.R. § 2.208. EPA will disclose business information entitled to confidential treatment only as authorized by 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies the information at the time EPA receives it, EPA may make it available to the public without further notice.
5. Notice is hereby given, pursuant to 40 C.F.R. § 2.310(h), that EPA may disclose confidential information provided by the Companies to EPA's authorized representatives, including its contractor, Science Applications International Corporation ("SAIC"). Confidential information may be disclosed to EPA's authorized representatives for the following reasons: to assist with document handling, inventory and indexing; to assist with document review and analysis for verification of completeness; and to provide expert technical review of the contents of the response. Pursuant to 40 C.F.R. § 2.310(h), the Companies may submit, along with its response to this Information Request, any comments regarding EPA's disclosure of confidential information to its authorized representatives.
6. If information or documents not known or available to the Companies at the time of any response to this Information Request later become known or available to it, it must supplement its response to EPA. Moreover, should the Companies find at any time after the submission of any response that any portion of the submitted information is false or misrepresents the truth, the Companies must notify EPA as soon as possible and provide EPA with a corrected response.
7. If information responsive to a request is not in the Companies' possession, custody, or control, identify the persons or entities from whom such information may be obtained. For each individual or entity that possesses responsive information, please provide the following: name, last known or current address, telephone number, and affiliation with the Companies or the Facility.

8. If you believe that there are grounds for withholding information or documents that are responsive to this request, e.g., attorney-client privilege, you must identify the information or documents and state the basis for withholding.

INFORMATION REQUEST

1. Provide cost information for the development and implementation of the Facility's RMP. Disaggregate the RMP development costs by capital and one-time non-depreciable expenses. Regarding implementation costs, provide actual or estimated incremental (above the Facility's previously existing level-of-effort) annually recurring costs (e.g. Operation & Maintenance).
2. Provide a statement and supporting documentation indicating the Companies' present net worth.



CITY OF RANCHO PALOS VERDES

SUSAN BROOKS, MAYOR

JERRY V. DUHOVIC, MAYOR PRO TEM

June 18, 2013

BRIAN CAMPBELL, COUNCILMAN

JIM KNIGHT, COUNCILMAN

ANTHONY M. MISETICH, COUNCILMAN

The Honorable Henry A. Waxman
33rd Congressional District of California
United States House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

SUBJECT: Resolution of Issues Related to the Rancho LPG Facility, 2110 North Gaffey Street, San Pedro, California

Dear Congressman Waxman:

My City Council colleagues and I are pleased to welcome you as the U.S. Congressional Representative for the City of Rancho Palos Verdes and the other cities and communities on the Palos Verdes Peninsula. As you may be aware, an issue of concern to many residents in this portion of the 33rd District is the Rancho LPG facility in San Pedro, which stores and handles more than 25 million gallons of butane and propane in a densely-populated area near the Port of Los Angeles. The operation of this facility has potential impacts upon residents in both the cities of the 33rd District and those in the adjoining 44th District. Our City Council receives regular updates related to the facility from our Staff. However, there are several issues for which we have sought (unsuccessfully) answers to our questions about the facility, and for which we now turn to you for assistance.

Rancho LPG Insurance Information

At a public meeting before the Rancho Palos Verdes City Council in October 2012, a representative of Rancho LPG expressed willingness to provide our City with information about the insurance and liability coverage for the Rancho LPG facility. However, in January 2013, Rancho LPG subsequently refused to provide this information on the grounds that it was "proprietary information" (see enclosures). We seek any assistance that you can provide in obtaining copies of Rancho LPG's insurance information.

Chief Legislative Analyst's Recommendations

In February 2013, the Chief Legislative Analyst's (CLA) Office of the City of Los Angeles released its report on "Safety Regulations and Precautions at Liquefied Petroleum Gas

(LPG) Facilities.” The report was prepared in response to several motions by 15th District Los Angeles City Councilman Joe Buscaino. After summarizing the legislative and regulatory background affecting the Rancho LPG facility in its report, the CLA made two (2) recommendations:

1. Instruct the Fire Department to develop potential options for a community outreach effort and preparedness exercise with City departments and stakeholders in the San Pedro area, including the facility operator, local Neighborhood Councils, homeowner groups, and other community based organizations.
2. Instruct the Fire Department and Department of Building and Safety, with the assistance of the Chief Legislative Analyst, to report back with a list of inspections conducted by non-City agencies at liquid bulk storage facilities that would benefit City agencies by receiving automatic notification of inspection deficiencies.

Recently, we forwarded to Councilman Buscaino’s staff information about a possible grant funding opportunity for emergency preparedness that might help to implement the CLA’s recommendations (see enclosure). We would appreciate any assistance that you might offer to the City of Los Angeles in pursuing these grant funds to assist in the implementation of the CLA’s recommendations regarding the Rancho LPG facility.

Environmental Protection Agency Enforcement Action

In March 2013, the U.S. Environmental Protection Agency (EPA) issued a “Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act” to the Rancho LPG facility (see enclosure). This notice apparently stemmed from site inspections conducted by the EPA in 2010 and 2011. The allegations against Rancho LPG include:

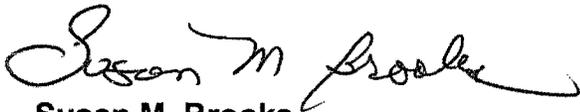
- Failing to include the rail storage area of the site in its Risk Management Plan;
- Failing to adequately evaluate seismic impacts upon the facility’s emergency flare;
- Failing to address the consequences of a loss of City water for fire suppression during an earthquake;
- Failing to conduct a timely internal inspection of Tank 1 (i.e., one of the 12½-million-gallon butane storage tanks);
- Failing to develop an Emergency Response Plan to protect public health and the environment; and,
- Failing to include a drain pipe and valve in the containment basin in the Mechanical Integrity Program.

Congressman Henry A. Waxman
June 18, 2013
Page 3

Rancho LPG was given until April 15, 2013, to file responses to EPA's allegations. Our Staff contacted the EPA on May 6, 2013, to inquire into the status of Rancho LPG's response, but we have received no response to our inquiry from EPA. We seek your assistance in getting an update from EPA in this matter.

Again, I thank you for your leadership in addressing this issue affecting all of our constituents. If you have questions or need additional information, please contact Senior Administrative Analyst Kit Fox at (310) 544-5226 or kitf@rpv.com.

Sincerely yours,



Susan M. Brooks
Mayor

enclosures

cc: Rancho Palos Verdes City Council
Carolyn Lehr, Rancho Palos Verdes City Manager
Mayor Margaret Estrada and the Lomita City Council
Michael Rock, Lomita City Manager
Mayor James F. Goodhart and the Palos Verdes Estates City Council
Anton Dahlerbruch, Palos Verdes Estates City Manager
Mayor Frank E. Hill and the Rolling Hills City Council
Steve Burrell, Rolling Hills Interim City Manager
Mayor Frank V. Zerunyan and the Rolling Hills Estates City Council
Doug Prichard, Rolling Hills Estates City Manager
Kit Fox, Senior Administrative Analyst



RANCHO

LPG Holdings LLC

John H. Kyles
Senior Attorney

Phone: (713) 993-5136
Fax: (713) 646-4216

January 29, 2013

Carol W. Lynch, Esq.
City Attorney, City of Rancho Palos Verdes
c/o: Richards, Watson & Gershon
355 South Grand Avenue 40th Floor
Los Angeles, CA 90071

RE: Rancho LPG Holdings LLC
San Pedro Terminal, 2110 North Gaffey, San Pedro, CA

City of Rancho Palos Verdes, CA Information Request Response
(Plains File: L6686A)

Dear Ms. Lynch,

You and Mr. Kit Fox have inquired about the insurance coverage that Rancho LPG has in place in case of a catastrophic event involving the storage tanks at Rancho's facility. After internal review, Rancho LPG has concluded that the requested information is proprietary. Therefore, Rancho will not make the insurance policies and their details available to the City.

However, Rancho LPG wants Rancho Palos Verdes City government to know that Rancho works closely with its underwriters and has been advised that Rancho has an appropriate level of insurance for a facility of this type.

Thank you for your consideration and cooperation in this matter.

Sincerely,

John H. Kyles

Cc:

Kit Fox, AICP
Senior Admin Analyst
City Manager's Office
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho, Palos Verdes, CA
90275

Ron Conrow
Western District Manager
Plains LPG Services, LP
Shafter, CA

Dan Johansen
San Pedro Terminal
2110 North Gaffey,
San Pedro, CA 90731

Scott Sill
Managing Director, LPG Operations
1400, 607-8 Avenue SW
Calgary AB T2POA7

Hon. Rudy Svorinich, Jr.
1891 N. Gaffey Street
Suite 221
San Pedro, CA 90731

FACT SHEET

CalEMA Hazardous Materials Emergency Preparedness Grant (HMEP)

Funding Information and Application Requirements

FAST FACTS

1	Application Deadline	<p>Applications are due to California's Local Emergency Planning Committees (LEPCs) approximately July 15, 2013. Check with your LEPC chair to confirm their internal deadline date. LEPCs contact information is located at the end of this fact sheet.</p> <p>LEPCs are to submit applications to Cal EMA by August 15, 2013.</p>
2	Workshops (if any)	There are no workshops scheduled at this time.
3	Eligible Applicants	<p>State or local agencies and federally recognized tribal governments.</p> <p>Local governments are defined as, "A county, municipality, city, town, township, local public authority such as school district, special district, intrastate district, council of governments...any other regional or interstate government entity, or any agency or instrumentality of a local government."</p>
4	Purpose of Program	For public sector planning and training in support of the emergency planning and training efforts of States, Indian tribes, and local communities to deal with hazardous materials emergencies, particularly those involving transportation.
5	Success Rate Last Year	<p>2012: 11 applications were received and nine were funded. Success rate was 82 percent.</p> <p>2011: 15 applications were received and all were funded. Success rate was 100 percent.</p>
6	Authorizing Resolution Required?	Not stated as required.

FUNDING INFORMATION

7	Total Funds Available	Anticipated funding \$738,380.
8	High, Low, Average Grant Last Year	High: \$64,000; Average: \$27,753; Low: \$10,422
9	Maximum Funding Request	There is no stated maximum.
10	Local Match Required	20 percent of the total cost of the approved project with non-Federal funds.
11	Funding Cycle	Annual

PROJECT INFORMATION

12	Examples of Funded Projects	<ul style="list-style-type: none"> • Corona Fire Department – Area Plan Update: a minimum of 75% of the HMEP Planning grant allocation is made available to the LEPCs for allowable projects via a sub-grant process that requires the LEPCs to approve and prioritize all applications for
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their region. \$11,000.

- **City of Lancaster** – HazMat Needs/Hazards Assessment and Response Exercise: To fund a Needs/Hazards Assessment of the existing HazMat transportation conditions in the City, create a database and GIS maps to document existing facilities and thoroughfares that use or transport Hazardous Materials, and share the data with the existing EOC software programs and all first responders. This data would also be used to design, conduct, and evaluate a full-scale exercise that evaluates the current readiness levels of the EOC, field response crews, and CERT volunteers to determine future needs. The scenario will involve a tanker truck accident and resulting spill. Results of the assessment and exercise lessons learned will directly relate to an intended 2013-14 application to fund the development of a HazMat Transportation Emergency Area Plan. \$10,422.
- **Trinity County** - Rural HazMat Decon Team Revitalization Project: Project is to design and conduct a multi-jurisdictional, multi-discipline full-scale HazMat exercise involving a transportation element, including the decontamination of ambulatory and non-ambulatory victims and responders. An after-action report and corrective action plan will support future updates to the HazMat Area Plan. Supplies and equipment necessary to support this exercise – and future training, exercises, and responses – include Level B Chemical Protective Clothing, ICS ID vests, and a transport trailer. The \$10,880 being requested is 40% of the identified Total Project Costs versus the allowable 80%. This project will deliver long-term life safety benefits to responders by improving timeliness and effectiveness of essential victim & responder decontamination and by improving coordination between local and regional HazMat response resources. \$10,880.

13	Priorities	A minimum of 75% of the HMEP Planning grant allocation is made available to the LEPCs for allowable projects via a sub-grant process that requires the LEPCs to approve and prioritize all applications for their region.
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| 14 | Eligible Project Types | <ul style="list-style-type: none"> • Project MUST be HazMat and Transportation related. • Development, improvement, and implementation of emergency plans required under the EPCRA. • Enhancement of emergency plans, including hazards analysis, and response procedures for emergencies involving transportation of hazardous materials, including radioactive materials. • An assessment to determine the flow patterns of hazardous materials within the state, between states or Native American lands, and development and maintenance of a system to keep such information current. • An assessment of the need for regional hazardous materials |
|----|------------------------|---|

		<p>emergency response teams.</p> <ul style="list-style-type: none"> • An assessment of local response capabilities. • HazMat emergency response drills and exercises to test capabilities and identify gaps in training. (Allowable costs include planning and design, participation, evaluation, and after action review costs.) • Provision of technical staff to support the planning effort. • Additional activities appropriate to implement the scope of work for the proposed project plan and approved in the grant. (These activities must be approved by Cal EMA before initiated.)
15	Ineligible Activities	<ul style="list-style-type: none"> • Costs incurred outside the performance period. • Equipment purchases – Some equipment necessary for the completion of allowable project activities may be approved on a case-by-case basis, but will likely be funded at less than 80 percent of the total cost. • Overtime wages or Call Backs/Backfill • Food items • Software – with the exception of CAMEO • Weapons of Mass Destruction (WMD) planning or exercise activities • All-hazards or fixed-facility only planning or exercise activities • Community Emergency Response Team (CERT), Neighborhood Watch, and other community planning organization activities
16	Project Readiness	The grant performance period is October 1 through September 30.
HOW TO APPLY		
17	Application Requirements	<ul style="list-style-type: none"> • Application Form • Project Narrative (limited to two pages) • Designation Statement • Budget Worksheet and Budget Narrative • Work Schedule and Deliverables Form • Grant Assurances
18	Submission Requirements	Eligible public agencies must submit their planning grant applications to the LEPCs for review, prioritization, and approval.
HOW APPLICATIONS WILL BE SCORED		
19	Evaluation Criteria and Process	<ul style="list-style-type: none"> • Each LEPC is responsible for evaluating, approving and prioritizing the HMEP Planning sub-grant applications from within their region. • Once Cal EMA receives the applications, they are evaluated to determine if they are allowable, reasonable, and allocable to the HMEP grant program. • Additionally, the project is evaluated against the goals, objectives, and planning priorities for that grant cycle and whether the criteria listed on the application forms' instructions have been met. • Awards are expected September 30, 2013.

WHO TO CONTACT

20	Agency	Cal EMA
21	Contact Name/Phone Number	Neverley Shoemake at: (916) 845-8765 or neverley.shoemake@calema.ca.gov
22	Web Site	http://www.calema.ca.gov/HazardousMaterials/Pages/HMEP-Grant.aspx

**LOCAL EMERGENCY PLANNING COMMITTEE (LEPC) CHAIRS
CALIFORNIA EMERGENCY MANAGEMENT AGENCY (CALEMA) STAFF**

Planning: Neverley Shoemake (916) 845-8765; CSTI Training: Susan Kocher (805) 549-3534 or Annabelle Dixon (805) 549-3544
E-mail: neverley.shoemake@calema.ca.gov; susan.kocher@calema.ca.gov; Annabelle.dixon@calema.ca.gov

Chair	CalEMA Staff
<p><u>Region I</u> RANDY ALVA Los Angeles County Fire Department 18239 W. Soledad Canyon Road Canyon Country, CA 91351 Phone: (510) 238-7759 E-mail: aalva@fire.lacounty.gov</p>	<p><u>Region I</u> JERI SIEGEL CalEMA, Southern Region 4671 Liberty Avenue Los Alamitos, CA 90720-5158 Phone: (805) 473-3035; Fax. (805) 679-1996 E-mail: jeri.seigel@calema.ca.gov</p>
<p><u>Region II</u> DAVE DEARBORN California Highway Patrol 1551 Benicia Road Vallejo, CA 94591 Phone: (707) 373-7719 E-mail: ddearborn@chp.ca.gov</p>	<p><u>Region II</u> SANDRA MCKENZIE CalEMA, Coastal Region 1300 Clay Street, Suite 400 Oakland, CA 94612 Phone: (510) 286-6748; Fax. (510) 286-0853 E-mail: sandra.mckenzie@calema.ca.gov</p>
<p><u>Region III</u> WILLIAM FULLER Yuba City Fire Department 824 Clark Avenue Yuba City, CA 95991 Phone: (530) 822-4809; Fax. (530) 822-7561 E-mail: wfuller@yubacity.net</p>	<p><u>Region III</u> DEBORAH VERCAMMEN CalEMA, Inland Region (North) 20645 Gas Point Rd. Cottonwood, CA 96022 Phone: (530) 347-6494; Fax. (530) 347-6456 E-mail: deborah.vercammen@calema.ca.gov</p>
<p><u>Region IV</u> MICHAEL PARISSI San Joaquin County Environmental Health Department 1868 East Hazelton Avenue Stockton, CA 95205 Phone: (209) 953-6213; Fax: (209) 468-3433 E-mail: dave.johnston@edcgov.us</p>	<p><u>Region IV</u> DANA OWENS CalEMA, Inland Region 3650 Schriever Avenue Mather, CA 95655 Phone: (916) 845-8482; Fax. (916) 845-8474 E-mail: dana.owens@calema.ca.gov</p>
<p><u>Region V</u> CRAIG PERKINS Bakersfield Fire Department 2101 H Street Bakersfield, CA 93301 Phone: (661) 326-3684; Fax: (661) 852-2171 E-mail: ctperkins@bakersfieldfire.us</p>	<p><u>Region V</u> KEVIN NAGATA CalEMA, Inland Region (South) 2550 Mariposa Mall, Room 181 Fresno, CA 93721 Phone: (559) 445-6125; Fax. (559) 445-5987 E-mail: kevin.nagata@calema.ca.gov</p>
<p><u>Region VI</u> NICK VENT County of San Diego Hazardous Materials Division P.O. Box 129261 San Diego, CA 92112-9261 Phone: (858) 505-6693; Fax. (858) 694-3705 E-mail: nick.vent@sdcounty.ca.gov</p>	<p><u>Region VI</u> JOANNE PHILLIPS CalEMA, Southern Region 4050 Taylor Street, M5243 San Diego, CA 92110 Phone: (619) 220-5369; Fax. (619) 278-3793 E-mail: joanne.phillips@calema.ca.gov</p>

Revision date: 5/13/2013



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

MAR 14 2013

CERTIFIED MAIL NO.:
RETURN RECEIPT REQUESTED
In Reply Refer to:
Rancho San Pedro Terminal, San Pedro, CA

Mr. Tony Puckett
Rancho LPG Holdings, LLC
2110 North Gaffey Street
San Pedro, California 90731

RE: Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act

Dear Mr. Puckett:

On April 14, 2010, and January 11, 2011, the U.S. Environmental Protection Agency ("EPA") conducted inspections at the San Pedro Terminal ("the Facility") owned by Plains LPG Services and operated by Rancho LPG Holdings, LLC (the "Companies") at 2110 North Gaffey Street, in San Pedro, California. The purpose of the inspections and subsequent information requests were to evaluate the Companies' compliance with the requirements under Section 112(r) of the Clean Air Act ("CAA").

Based upon the information obtained during our investigation, EPA is prepared to initiate a civil administrative action against the Companies to ensure compliance with federal law and assess a penalty pursuant to Section 113 of the CAA, 42 U.S.C. § 7413. The anticipated allegation includes violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and its implementing regulations.

Specifically, the anticipated allegations against the Companies include:

1. The Companies failed to identify and assess its rail storage area as a process for inclusion in its Risk Management Plan ("RMP"). The rail storage area should have been included as a covered process where a regulated substance was present above a threshold quantity when it submitted an RMP. As a result, the Companies failed to conduct a hazard assessment of that process, in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.12(a) and (b).

2. The Companies failed to adequately evaluate potential seismic stresses on the support structure for the emergency flare in accordance with design codes. As a consequence, the Companies violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.65(a) and(d)(2-3), which requires that the owner or operator ensure that complete process safety information is compiled on the technology of the process and that the equipment complies with recognized and generally accepted good engineering practices.
3. The Companies did not appropriately address the consequences of a loss of the city water system for fire suppression in the event of an earthquake. This omission is a violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.67(c)(4), which requires that the owner or operator address the consequences of the failure of engineering and administrative controls in the process hazard analysis.
4. The Companies failed to internally inspect Tank 1 according to a timetable set forth in API Standard 653, in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.73(d)(2), which require that the owner or operator ensure that inspection and testing procedures follow recognized and generally accepted good engineering practices.
5. The Facility's emergency response plan identified the facility as a responding facility for which employees will take response action in the event of a release, per 40 C.F.R. 68.90(a). However, the Facility's emergency response plan developed under paragraph (a)(1) of that part was not coordinated with the community emergency response plan developed under 42 U.S.C. 11003. In addition, the Facility Manager and employees stated to EPA that they are not emergency responders for the Facility, but are only authorized to take life safety and evacuation actions. The Companies failed to develop and implement an emergency response program for the purpose of protecting public health and the environment, including at a minimum, procedures for informing the public and emergency response agencies in the event of a release. The Facility failed to clearly indicate to their own employees whether they would be emergency responders or would evacuate. This is in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.95(a)(1)(i), which requires an owner or operator to develop and implement an emergency response program including a plan that shall be maintained at the stationary source and contain procedures for informing the public and local emergency response agencies about accidental releases.
6. The Companies failed to ensure that the drain pipe located in the base of the containment basin and the valve located near Gaffey Street were included in the mechanical integrity program. This is in violation of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. § 68.73(d), which requires inspection and testing procedures to follow recognized and generally accepted good engineering practices.

Before filing a Determination of Violation, Compliance Order and Notice of Right to Request a Hearing ("Complaint"), EPA is extending to the Companies an opportunity to advise EPA of any other information that the Companies believes should be considered before the filing of such a Complaint. Relevant information may include any evidence of reliance on compliance assistance, additional compliance tasks performed subsequent to the inspection, or financial factors bearing on the ability to pay a civil penalty.

Your response to this letter must be made by a letter, signed by a person or persons duly authorized to represent the Companies. Please send any such response by certified mail, return receipt requested, addressed to:

Ms. Mary Wesling (SFD-9-3)
Environmental Scientist
U.S. EPA Region IX
75 Hawthorne St.
San Francisco, CA 94105

Please provide such information by no later than April 15, 2013. EPA anticipates filing a Complaint in this matter on or about May 15, 2013, unless the Companies first advise EPA, with supporting information, of substantial reasons not to proceed as planned. Any penalty proposed for violation of the CAA will be calculated pursuant to EPA's "Final Combined Enforcement Policy for the Clean Air Act Section 112(r)(1), the General Duty Clause, and Clean Air Act Section 112(r)(7) and 40 C.F.R. Part 68, Chemical Accident Prevention Provisions," dated June 20, 2012, a copy of which is enclosed (the "Penalty Policy"). Civil penalties may be mitigated, under the EPA "Supplemental Environmental Projects Policy,"¹ which describes the terms under which a commitment to perform an environmental project may mitigate, in part, a civil penalty. Even if the Companies are unaware of any mitigating or exculpatory factors, EPA is extending to the Companies the opportunity to commence settlement discussions concerning the above described violations.

Additionally, to fully consider application of the Penalty Policy, EPA is additionally requesting responses to specific questions set forth below. EPA makes this request for information pursuant to 42 U.S.C. § 7414(a). Failure to comply with the information request in this letter may result in enforcement action being taken in accordance with Section 113 of the Act, 42 U.S.C. § 7413. This may include civil and administrative penalties of up to \$37,500 per day of noncompliance, pursuant to section 113(b)(2) and 113(d) of the Act, 42 U.S.C. §§ 7413(b)(2) and 7413(d). Instructions regarding the requests also are set forth below.

///

¹<http://www.epa.gov/compliance/resources/policies/civil/seps/fn\sup-hermn-mem.pdf>, and <http://cfpub.epa.gov/compliance/resources/policies/civil/seps/>.

If there are any questions, please contact Mary Wesling of my staff at (415) 972-3080 or Wesling.Mary@epa.gov. Please direct any questions or inquiries from legal counsel to Andrew Helmlinger, EPA Counsel, at (415) 972-3904 or Helmlinger.Andrew@epa.gov.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Meer', with a long horizontal flourish extending to the right.

Daniel A. Meer, Assistant Director
Superfund Division

Enclosures:

Final CAA §112(r) Combined Enforcement Policy

cc (w/enclosures):

T. Puckett, Plains LPG Services, LLC, Houston, TX
M. Wesling, U.S. EPA Region IX
A. Helmlinger, U.S. EPA Region IX

ENCLOSURE

INSTRUCTIONS

1. Please provide a separate response to each request, and identify each response by the number of the request to which it corresponds. For each document produced, identify the request to which it is responsive.
2. Knowledge or information that has not been memorialized in any document, but is nonetheless responsive to a request, must be provided in a narrative form.
3. The scope of this Information Request includes all information and documents obtained or independently developed by the Companies, their attorneys, consultants or any of their agents, consultants, or employees.
4. The Companies may not withhold any information from EPA on the grounds that it is confidential business information. EPA has promulgated regulations, under 40 C.F.R. Part 2, Subpart B, to protect confidential business information that it receives. The Companies may assert a business confidentiality claim (in the manner specified in 40 C.F.R. § 2.203(b)) for all or part of the information requested by EPA. However, business information is entitled to confidential treatment only if it satisfies the criteria set forth in 40 C.F.R. § 2.208. EPA will disclose business information entitled to confidential treatment only as authorized by 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies the information at the time EPA receives it, EPA may make it available to the public without further notice.
5. Notice is hereby given, pursuant to 40 C.F.R. § 2.310(h), that EPA may disclose confidential information provided by the Companies to EPA's authorized representatives, including its contractor, Science Applications International Corporation ("SAIC"). Confidential information may be disclosed to EPA's authorized representatives for the following reasons: to assist with document handling, inventory and indexing; to assist with document review and analysis for verification of completeness; and to provide expert technical review of the contents of the response. Pursuant to 40 C.F.R. § 2.310(h), the Companies may submit, along with its response to this Information Request, any comments regarding EPA's disclosure of confidential information to its authorized representatives.
6. If information or documents not known or available to the Companies at the time of any response to this Information Request later become known or available to it, it must supplement its response to EPA. Moreover, should the Companies find at any time after the submission of any response that any portion of the submitted information is false or misrepresents the truth, the Companies must notify EPA as soon as possible and provide EPA with a corrected response.
7. If information responsive to a request is not in the Companies' possession, custody, or control, identify the persons or entities from whom such information may be obtained. For each individual or entity that possesses responsive information, please provide the following: name, last known or current address, telephone number, and affiliation with the Companies or the Facility.

8. If you believe that there are grounds for withholding information or documents that are responsive to this request, e.g., attorney-client privilege, you must identify the information or documents and state the basis for withholding.

INFORMATION REQUEST

1. Provide cost information for the development and implementation of the Facility's RMP. Disaggregate the RMP development costs by capital and one-time non-depreciable expenses. Regarding implementation costs, provide actual or estimated incremental (above the Facility's previously existing level-of-effort) annually recurring costs (e.g. Operation & Maintenance).
2. Provide a statement and supporting documentation indicating the Companies' present net worth.

115TH CONGRESS
2D SESSION

H. R. 6489

To direct the Secretary of Transportation to establish a grant program for the relocation of certain petroleum storage facilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2018

Ms. BARRAGÁN introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Secretary of Transportation to establish a grant program for the relocation of certain petroleum storage facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safe LPG Storage Act
5 of 2018”.

6 **SEC. 2. LPG STORAGE FACILITIES RELOCATION PROGRAM.**

7 (a) ESTABLISHMENT.—Not later than 90 days after
8 the date of enactment of this Act, the Secretary of Trans-

1 portation shall establish a program (in this section re-
2 ferred to as the “Program”) under which the Secretary
3 may award grants to covered entities for the relocation
4 of qualifying LPG storage facilities.

5 (b) APPLICATIONS.—To be eligible for a grant under
6 the Program, a covered entity shall submit to the Sec-
7 retary an application at such time, in such form, and con-
8 taining such information as the Secretary may require.

9 (c) GRANT USES.—Grant amounts awarded under
10 the Program may only be used for activities related to the
11 relocation of a qualifying LPG storage facility.

12 (d) CONSIDERATIONS.—In selecting a covered entity
13 to receive a grant under the Program, the Secretary shall
14 consider the proximity of the applicable qualifying LPG
15 storage facility to—

16 (1) populated areas, homes, and schools; and

17 (2) communities that are disproportionately im-
18 pacted by environmental burdens.

19 (e) FEDERAL SHARE.—The Federal share of the cost
20 of an activity assisted with a grant awarded under the
21 Program may not exceed 50 percent.

22 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated \$500,000,000 to carry out
24 the Program.

1 (g) DEFINITIONS.—In this section, the following defi-
2 nitions apply:

3 (1) COVERED ENTITY.—The term “covered en-
4 tity” means—

5 (A) a State, local, or Tribal government
6 (including any political subdivision thereof);

7 (B) a special purpose district or public au-
8 thority, including a port authority;

9 (C) a group of entities described in sub-
10 paragraph (A) or (B); or

11 (D) an owner or operator of a qualifying
12 LPG storage facility.

13 (2) QUALIFYING LPG STORAGE FACILITY.—The
14 term “qualifying LPG storage facility” means a
15 land-based facility for the storage of liquefied petro-
16 leum gas that is located within 5 miles of a popu-
17 lated area, home, or school.

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