

Agenda Item 13 – Freight Storage November 15, 2023



Freight Storage Discussion

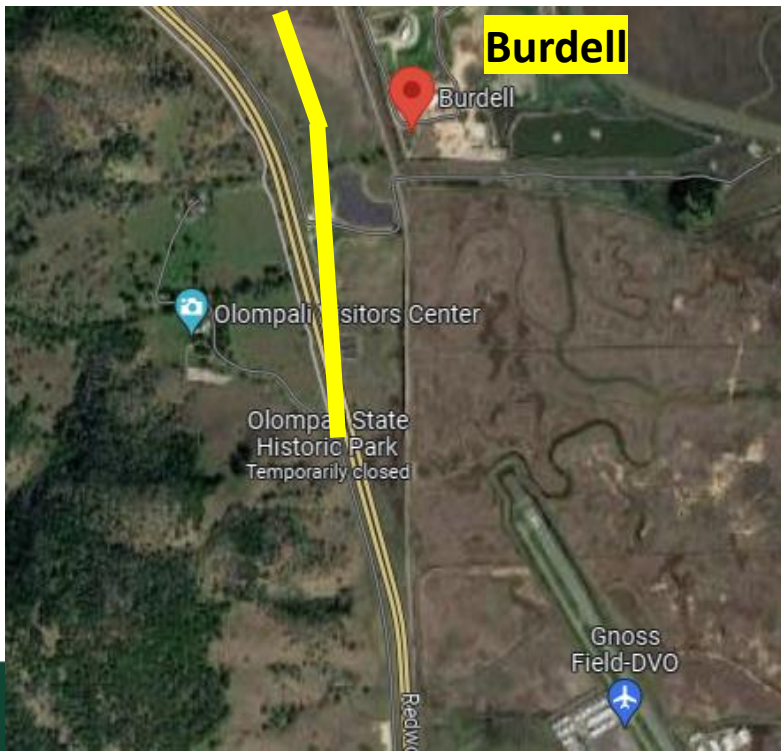
- Freight Storage Locations
- Current Status
- Rail Car Types
- Rail Tanker Cars
- Next Steps
- Discussion



Freight Storage

Storage Areas

- Schellville Yard
 - Two tracks
 - 160 car capacity
- Burdell Siding
 - 40 car capacity



Freight Storage

Current Status

- November 17, 2021 suspended LPG storage
- Previous Storage Revenue
 - \$500,000 - \$750,000 annually
 - Storage
 - Switching In/Out
 - Inspections
- FY 23 Storage Revenue
 - \$7,488



Freight Storage

Rail Car Types

- Autorack
- Boxcar
- Center Beam
- Covered Hopper
- Coil Car
- Flat Car
- Gondola
- Intermodal Equipment
- Open Top Hopper
- Refrigerated Box Car
- **Tank Car**
- Well Car
- Locomotives



Rail Tanker Cars

Rail Tank Car Type

- Pressurized
 - Compressed gasses
 - LPG
 - Chlorine
 - Anhydrous ammonia
- Non-pressurized
 - General purpose car
 - All types of liquid materials
 - Food grade commodities
 - Edible tallow
 - Water
 - Molasses
 - Hazardous liquid
 - Diesel
 - Ethanol
 - Fertilizer

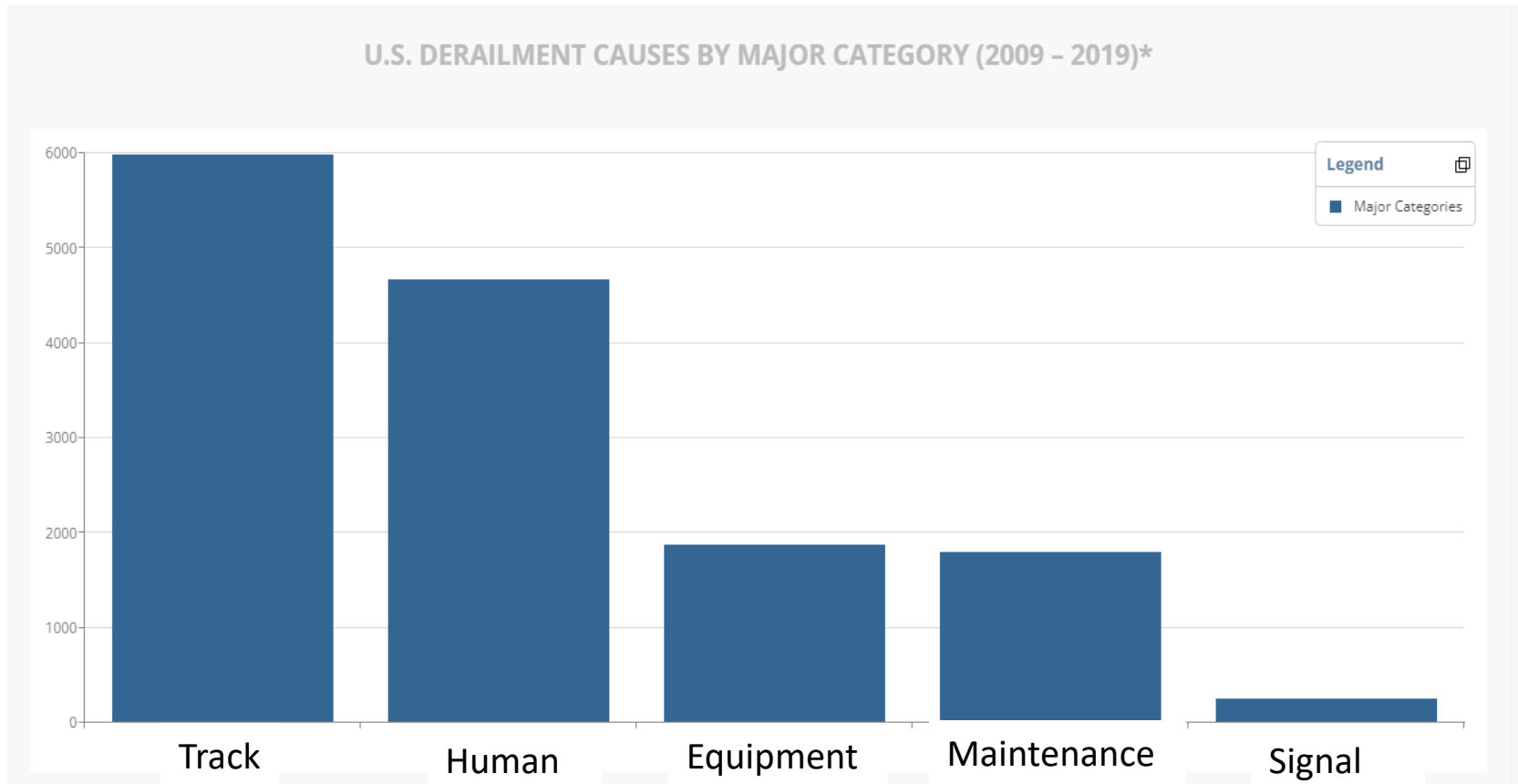


DOT/TC-112J340W Tank Car (Liquefied Compressed Gases)



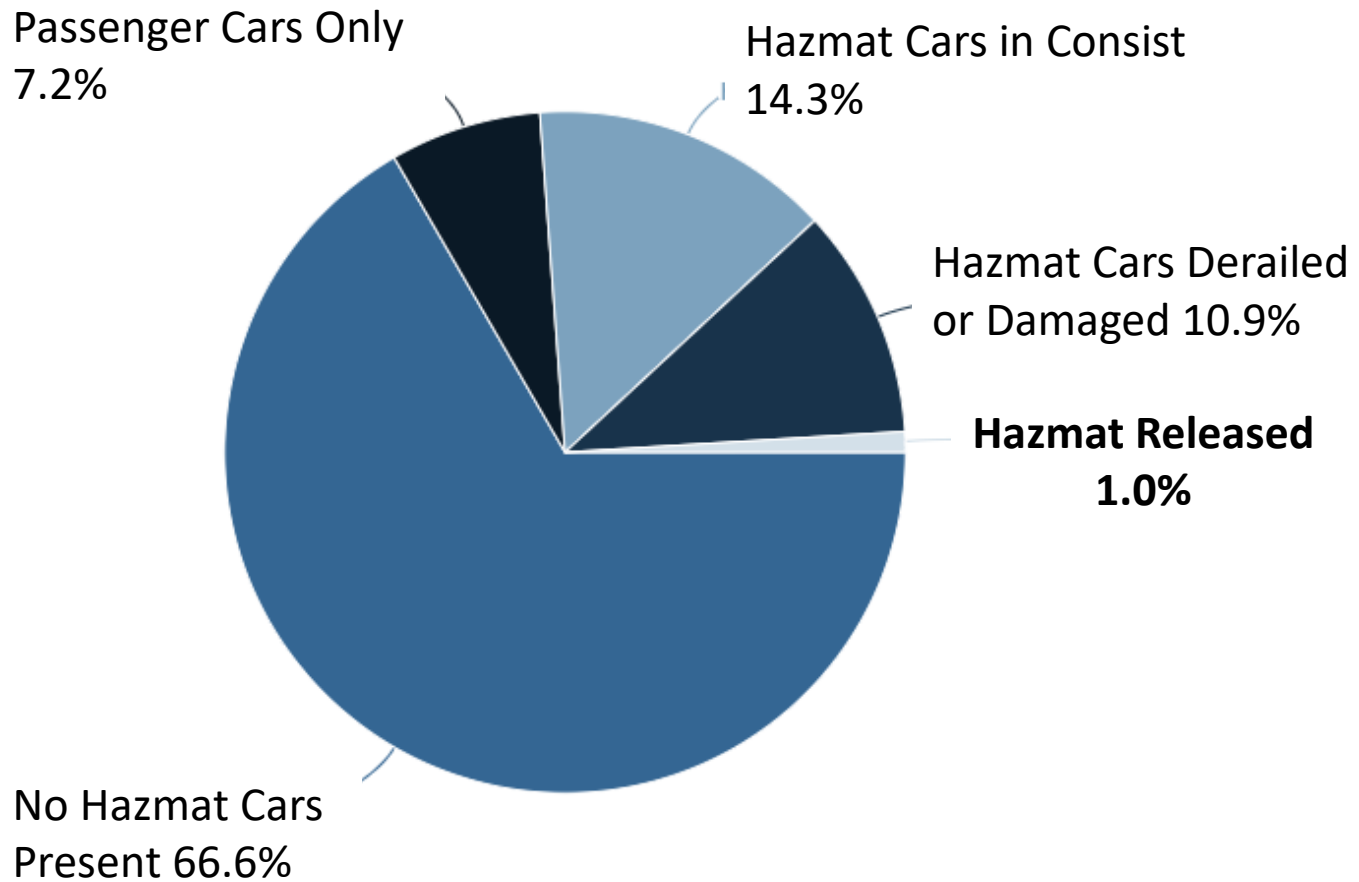
- Characteristics
 - 11/16 inch normalized grade B steel tank
 - Jacketed thermal protection
 - ½ inch thick heat shields built in jacket
 - Top fitting protection (protective housing)
 - Reclosing pressure relief valve

Tanker Car Accident Causes



- No storage-related accidents identified
- Reported accidents related to loading/unloading operations or derailments during transportation

Train Accidents (2009-2019)

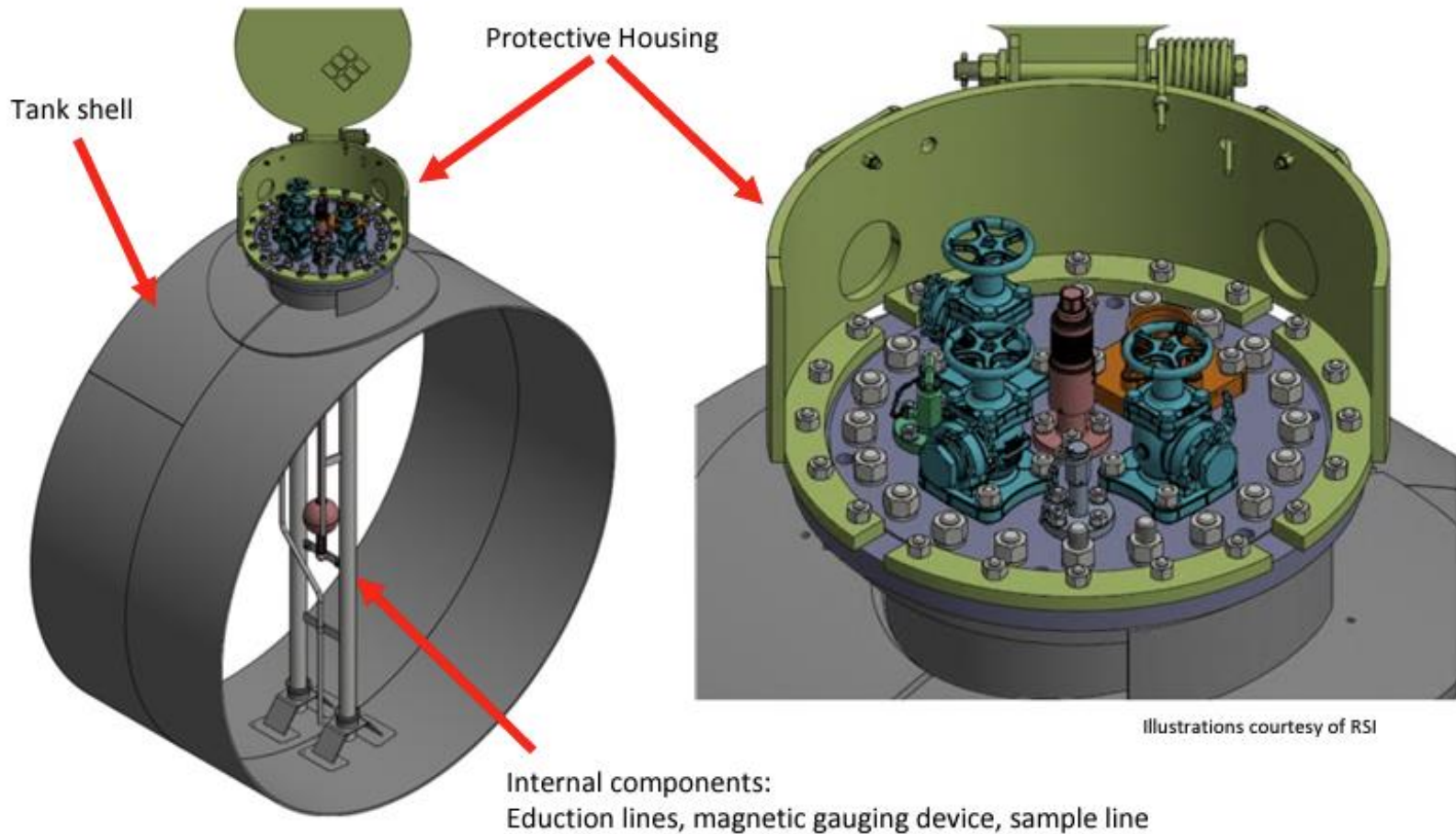


Collision Video

WARNING

Graphic content depicting a **staged collision**. No one was injured or harmed.

Valve housing and valves



Illustrations courtesy of RSI

Fittings Arrangement - DOT/TC-112J340W Tank Cars

Magnetic gauging device

Liquid valve

Thermometer well

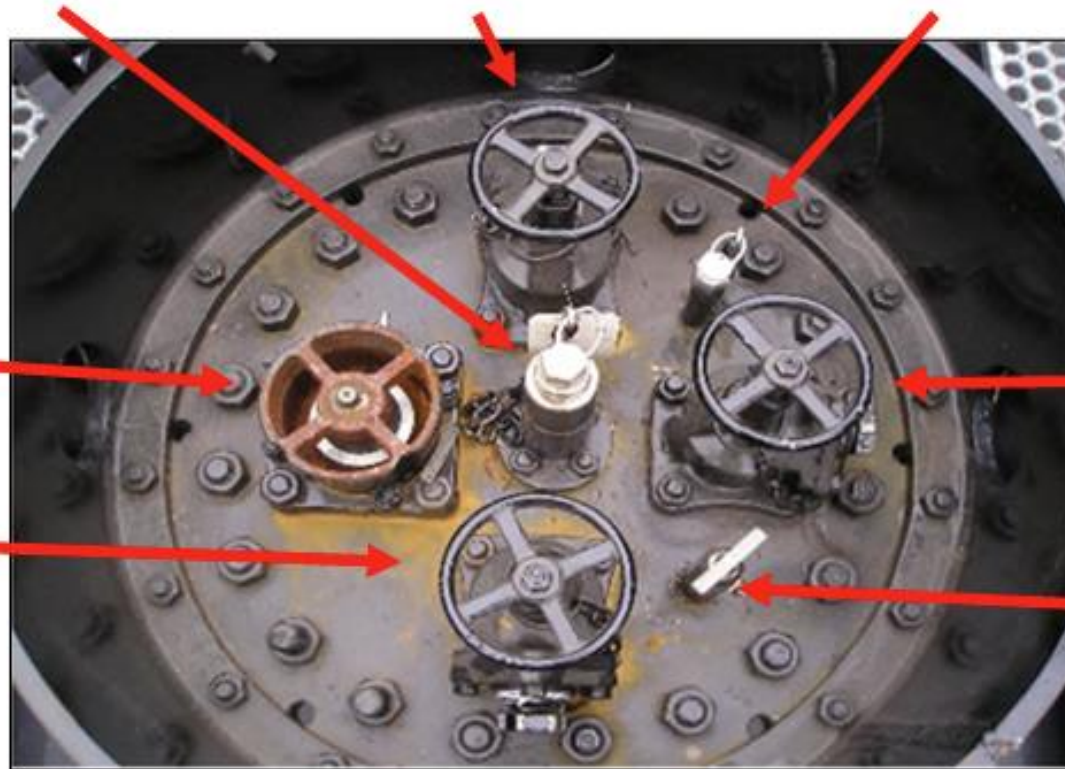


Pressure relief valve

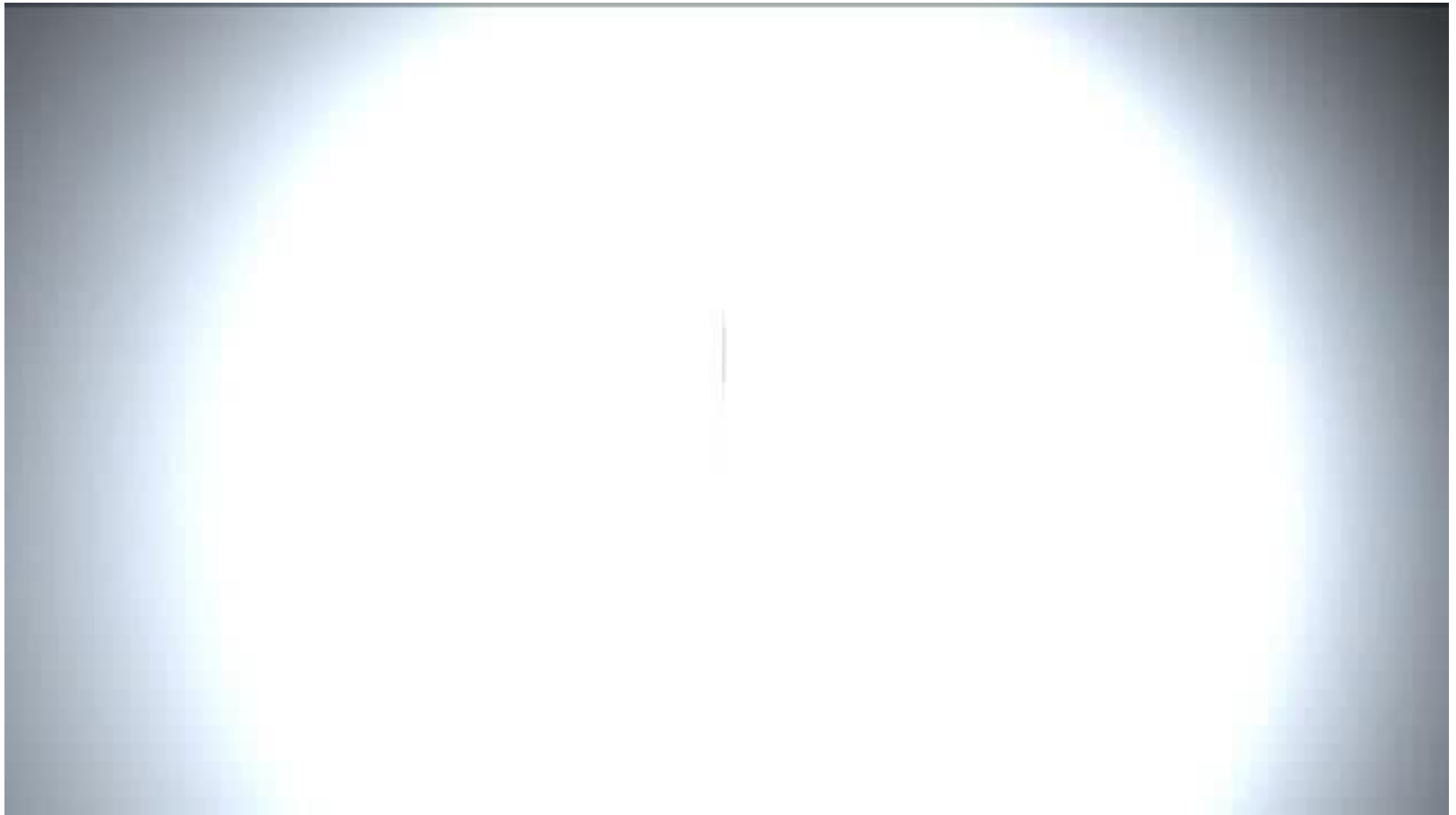
Liquid valve

Vapor valve

Sample line



Photograph courtesy of
Alltranstek.



Freight Storage Questions

Can rail tanker transportation and storage affect SMART's insurance premiums?

- Premiums not anticipated to increase dramatically
- SMART already carries very large insurance coverage
- Premium calculations depend on various factors including quantity/frequency, distance, and percentage of freight
- As a common carrier, SMART is generally required to accept all types of shipments and to follow all federal rules and regulations based on the commodities being shipped
- Any storage agreements would require strong indemnification language and adequate insurance coverage to be provided by the shipper

Freight Storage Questions

- **Do any of our peer railroads have any lessons learned or things we should consider?**
 - Work closely with local agencies to ensure proper familiarization with equipment, products, and access locations. Avoid densely populated areas and PG&E substations.
- **Who is responsible for maintenance?**
 - Tank car owners are responsible for maintenance and safety certifications. The entity loading the rail car conducts a safety inspection prior to loading material.
 - After storage, railroad personnel conduct a visual inspection to ensure safety appliances are in place, hazmat placards and car numbers are legible on all four corners and ensure dome cap is closed and sealed.

Freight Storage

- **Are there any FRA reported accidents when the railroad was just storing tanker cars?**
- No, all reported incidents appear to have occurred during loading/unloading operations or derailments during transportation?
- **Are there any security requirements for tanker car storage?**
 - Railroads are required to comply with federal regulations and have an approved HAZMAT safety and security plan in place that addresses associated risks.
- **What is the market for non-pressurized tanker cars?**
 - Very limited. We have only been approached about storing corn oil

Freight Storage

- **Is Environmental clearance required for using these tracks/sidings?**
 - *What is a CEQA "Project"?*
 - A "project" is defined as a "whole action" subject to a public agency's discretionary funding or approval that has the potential to either (1) cause a direct physical change in the environment or (2) cause a reasonably foreseeable indirect physical change in the environment.
 - This pre-existing use/operation and facilities would be “categorically exempt” from environmental clearance and permitting.
 - The railroad has used these existing facilities (sidings/tracks) for switching, assembling, and storage since they were built.
 - This is not a new use or operation. These tracks have been actively used for decades.

Freight Storage

Does SMART Freight need to take action in regard to zoning permitting with Sonoma County?

- This has not been a requirement in the past; however we intend to coordinate and consult with local agencies.
- Generally speaking, federal regulations preempt local and state requirements
- Freight operations are regulated by the Surface Transportation Board and Federal Railroad Administration

Next Steps

- Develop freight storage guidelines based on direction from the SMART Board of Directors
- Present freight storage guidelines for approval at future Board Meeting.

Discussion

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