1. Approval of Minutes: August 13, 2019
2. Authorizing the Reappointment of Officers for Two-Year Term
3. Authorization to Transfer Funds to DART as Reimbursement for Administrative Expenses Incurred by DART Staff
6. Identification of Future Agenda Items
7. Adjournment

*This is a Briefing Item Only

The Regional Rail Right-of-Way Company may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any legal issues, or under Section 551.072 for Real Estate issues, arising or regarding any item listed on this Agenda.

This facility is wheelchair accessible. For accommodations for the hearing impaired, sign interpretation is available. Please contact Community Affairs at 214-749-2543, 48 hours in advance.

Chair – Paul N. Wageman
Member – Michele Wong Krause, and Gary Thomas
Officers – Tim McKay, President
Bonnie Murphy, Vice President
Katy Galindo, Treasurer
Joseph Costello, Assistant Treasurer
Harlene Kennedy, Secretary
The Regional Rail Right-of-Way Company meeting convened at 10:15 a.m., on Tuesday, August 13, 2019, at DART Headquarters, 1401 Pacific Avenue, Dallas, with Chair Bauman presiding.

The following Members were present: Sue S. Bauman, and Gary Thomas.

The following Officers were present: Tim McKay, Bonnie Murphy, Katy Galindo, Joseph Costello, and Harlene Kennedy.

Others present: Gene Gamez, Matt Lannon, Nancy Johnson, Donna Henry, and Josefina Chavira, DART Staff.

1. Approval of Minutes: May 14, 2019

Mr. Thomas moved to approve the May 14, 2019, Regional Rail Right-of-Way Company’ Minutes, as written.

The Minutes were seconded and approved unanimously.


Mr. Matt Lannon, DART Senior Manager of Railroad Management, briefed the Committee (handout on file with the Office of Board Support) as follows:

- Quarterly Freight Report – 3rd Quarter (FY 2019)

Chair Bauman questioned how much the Grapevine Vintage Train paid annually. Mr. Lannon responded the amount was approximately $17K, however, he could provide the exact number.


Ms. Galindo briefed the Committee (handout on file with the Office of Board Support) as follows:

- Regional Rail Right of Way Financial Reports

Mr. Thomas questioned the loss of mileage use from Union Pacific. Mr. McKay remarked staff will investigate the Union Pacific loss of track mileage and return with a more precise response.

4. *Briefing on Slope Failure on Madill Corridor

Due to time constraints, Mr. McKay provided a summary of the briefing to the Committee (slides on file with the Office of Board Support) as follows:

- Slope Failure Site
Mr. McKay further stated the full briefing would be provided in the Operations, Safety & Security Committee meeting later in the day.

5. **Identification of Future Agenda Items**
   There were no additional future agenda items identified for this committee.

6. **Adjournment**
   There being no further business to discuss, the meeting was adjourned at 10:55 a.m.

Josefina Chavira, CAP
Board Committee Secretary

/jc  
* Briefing Item
Agenda Report
Regional Rail Right-of-Way Company

DATE: January 14, 2020

SUBJECT: Authorizing the Reappointment of Officers for Two-Year Term

RECOMMENDATION

Approval of a resolution that the following persons are reappointed to serve as officers of the Regional Rail Right-of-Way Company for a term of two years, to begin on the date of execution of the resolution, provided that should their employment with DART terminate, their term as officer of the Corporation will expire:

- President: Timothy McKay
- Vice President: Bonnie Murphy
- Secretary: Harlene Kennedy
- Treasurer: Katy Galindo
- Assistant Treasurer: Joseph Costello

BUSINESS PURPOSE

- The purpose of this item is to reappoint officers of the Regional Rail Right-of-Way Company for a term of two years, beginning on the date of the execution of the resolution.
- Approval of this item will help achieve DART Board Strategic Priority 3: Optimize DART’s influence in regional transportation planning.
- Section 3.1 of the Corporation’s Bylaws provides that the Corporation will be served by a president, a vice-president, a secretary, a treasurer and an assistant treasurer pursuant to election or appointment by the Corporation’s Board of Directors.

LEGAL CONSIDERATIONS

Section 3.1 (a) of the Regional Rail Right-of-Way Company Bylaws states that the officers of the Corporation shall be a president, a vice president, a secretary, a treasurer and such other officers as the Regional Rail Right-of-Way Company Board of Directors from time to time may determine. The term of each office shall be for two years. Section 3.1 (b) states that each officer shall be elected or appointed by the Regional Rail Right-of-Way Company Board of Directors. Section 3.1 (d) states that a vacancy in any office shall be filled by election or appointment by the Regional Rail Right-of-Way Company Board of Directors for the unexpired term.
DRAFT

RESOLUTION

OF THE

REGIONAL RAIL RIGHT-OF-WAY COMPANY BOARD OF DIRECTORS

Authorizing the Reappointment of Officers for Two-Year Term

WHEREAS, Section 3.1 of the Corporation's Bylaws provides that the Corporation will be served by a president, a vice-president, a secretary, a treasurer and such other officers as the Regional Rail Right-of-Way Company Board of Directors from time to time may determine, pursuant to election or appointment by the Corporation's Board of Directors.

NOW, THEREFORE, BE IT RESOLVED that the following persons are reappointed to serve as officers of the Regional Rail Right-of-Way Company for a term of two years, to begin on the date of execution of this resolution, provided that should their employment with DART terminate, their term as officer of the Corporation will expire:

President: Timothy McKay
Vice President: Bonnie Murphy
Secretary: Harlene Kennedy
Treasurer: Katy Galindo
Assistant Treasurer: Joseph Costello

EXECUTED as of this 14th day of January, 2020

DIRECTORS:

Paul N. Wageman

Michele Wong Krause

Gary C. Thomas
DATE: January 14, 2020

SUBJECT: Authorization to Transfer Funds to DART as Reimbursement for Administrative Expenses Incurred by DART Staff

RECOMMENDATION

Approval of a resolution authorizing the transfer of $150,000 to DART as reimbursement for administrative expenses incurred by DART staff.

BUSINESS PURPOSE

- DART employees perform duties for the Regional Rail Right-of-Way Company (Company) including management of trackage rights. The Company has received an invoice from DART in the amount of $150,000 for services received as of September 30, 2019 for administrative expenses incurred by DART staff.

LEGAL CONSIDERATIONS

- Section 1.5 of the Regional Rail Right-of-Way Company Bylaws provides that staff functions for the Company may be performed by DART, subject to payment by the Company for costs of such services as billed from time to time by DART.
DRAFT

RESOLUTION

of the

REGIONAL RAIL RIGHT-OF-WAY COMPANY
BOARD OF DIRECTORS

Authorization to Transfer Funds to DART as Reimbursement for Administrative Expenses Incurred by DART Staff

WHEREAS, Section 1.5 of the Regional Rail Right-of-Way Company (Company) Bylaws provides that staff functions for the Company may be performed by DART, subject to payment by the Company for costs of such services as billed from time to time by DART; and

WHEREAS, Section 1.5 of the Company Bylaws further provides that the Company shall make payments as billed from funds available to the Company; and

WHEREAS, DART employees have performed duties for the Company, including management of trackage rights; and

WHEREAS, the Company has received an invoice from DART in the amount of $150,000 for services received as of September 30, 2019 for administrative expenses incurred by DART staff.

NOW, THEREFORE, BE IT RESOLVED by the Regional Rail Right-of-Way Company Board of Directors that the Company is authorized to transfer the sum of $150,000 to DART as reimbursement for administrative expenses incurred by DART staff.

EXECUTED as of this 14th day of January, 2020.

DIRECTORS:

Paul N. Wageman

Michele Wong Krause

Gary C. Thomas
DATE: January 14, 2020

SUBJECT: Report on FY 2019 Fourth Quarter Freight Operations

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- The purpose of this item is to review the Quarterly Freight Operations for the Fourth Quarter of Fiscal Year 2019. A summary of amounts due under Trackage Rights Agreements from both short line railroads (DGNO and FWWR) and Class 1 railroad (UPRR) for the third quarter is included as Attachment 1.

- The discussion of this item will help achieve DART Board Strategic Priority 3: Optimize DART’s influence in regional transportation planning.
### Quarterly Freight Report - Annual (FY 2019)

<table>
<thead>
<tr>
<th>Rental Invoices</th>
<th>Railroad Agreement</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Fiscal Year to Date Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Pacific Railroad</td>
<td>FY 2019 - Joint Trackage-Cotton Belt</td>
<td>$0.00</td>
<td>$12,433.82</td>
<td>$11,140.90</td>
<td>$11,476.17</td>
<td>$35,050.89</td>
</tr>
<tr>
<td>Ft. Worth &amp; Western Railroad</td>
<td>Jan/Dec 2018 - Annual Trackage-Cotton Belt</td>
<td>$0.00</td>
<td>$5,467.50</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$5,467.50</td>
</tr>
<tr>
<td>Dallas, Garland &amp; Northeastern Railroad</td>
<td>Jan/Dec 2019 - Annual Trackage Cotton Belt</td>
<td>$0.00</td>
<td>$66,397.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$66,397.00</td>
</tr>
<tr>
<td>Grapevine Vintage Railroad</td>
<td>Sept/Aug 2020 - Excursion Rights Agreement</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$18,554.30</td>
<td>$18,554.30</td>
</tr>
</tbody>
</table>

**Quarterly Totals:**
- Q1: $0.00
- Q2: $84,296.32
- Q3: $11,140.90
- Q4: $30,030.47
- Fiscal Year to Date Total: $143,513.04

**Notes:**
* UPRR quarterly activity from July-September 2018 (invoiced in October 2018 in amount of $18,043.35) was included in 4th Quarter FY 2018 report in lieu of the 1st Quarter FY 2019 report.
  - Although not shown in Q1 (as noted in above bullet point), the $18,043.35 is included in the Fiscal Year to Date Total.
  - UPRR is invoiced quarterly for activity in the preceding quarter.
  - FWWR annual activity from January-December is invoiced in arrears at the beginning of each year.
  - DGNO annual activity for January-December is invoiced at the beginning of each year.
  - GVRR annual activity for September-August is invoiced September 1 of each year.

**Other Matters:**
- DART and RRROW - drafting MOU's (i.e. TRA) to ensure freight cooperation during DART construction of the Cotton Belt Commuter Rail Project, and coordinating with short line railroads (DGNO, FWWR) and Class 1 railroads (BNSF, UPRR, KCS) for the Project.

**Meeting Date:** 1/14/2020
DATE: January 14, 2020


RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- The purpose of this item is to review the FY 2019 fourth quarter financial report for Regional Rail Right-of-Way Corporation. The Financial Report for the Fourth Quarter including Balance Sheet, Statement of Revenues and Expenses, and a Schedule of Cash Receipts and Payments are included as Attachment 1.

- The discussion of this item will help achieve DART Board Strategic Priority 3: Optimize DART’s influence in regional transportation planning.
Table of Contents

Report Highlights .................................................. 2
Balance Sheet .......................................................... 3
Statements of Revenues and Expenses .............................. 4
Schedule of Cash Receipts and Payments ............................ 5
Regional Rail Right of Way
September 30, 2019
Report Highlights

Balance Sheet

Total assets are $1.5 million as of September 30, 2019 which increased by $35,780 or 2.5% compared to September 30, 2018. Cash increased by $32,372 (13.5%) because less cash was paid out in administrative fees in FY2019 compared to FY2018. The increase in accounts receivable of $3,408 (14.3%) is due to additional billings that are due from Union Pacific.

Total liabilities are $1.2 million as of September 30, 2019 which increased slightly by $611 (0.1%) compared to September 30, 2018. This increase is due to the advance payment amount from DGNO.

Statements of Revenues and Expenses

Trackage rights revenues are $135,169 for the fiscal year ended September 30, 2019 which is a decrease of $30,417 or 18.4% from the same time last year. The decrease in revenue is mainly due to less car miles operated by Union Pacific in FY2019 compared to FY2018.

Regional Rail Right of Way paid out $100,000 in administrative expenses in FY2019 compared to $150,000 paid out the prior year. Operating results for Regional Rail Right of Way for the year ended September 30, 2019 are a net income of $35,169 which is $19,583 better than this time last year.

Schedule of Cash Receipts and Payments

Regional Rail Right of Way started the fiscal year with a cash balance of $239,265. We collected $132,372 from our customers, paid an administrative fee of $100,000 and ended the fiscal year with a cash balance of $271,637.
## REGIONAL RAIL RIGHT OF WAY COMPANY
### BALANCE SHEET

**As of September 30, 2019, and 2018**

<table>
<thead>
<tr>
<th></th>
<th>09/30/2019</th>
<th>09/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$271,637</td>
<td>$239,265</td>
</tr>
<tr>
<td>Trackage Rights Receivable</td>
<td>27,176</td>
<td>23,768</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>298,813</td>
<td>263,033</td>
</tr>
<tr>
<td><strong>NONCURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freight Operating Easement</td>
<td>1,158,611</td>
<td>1,158,611</td>
</tr>
<tr>
<td><strong>TOTAL NONCURRENT ASSETS</strong></td>
<td>1,158,611</td>
<td>1,158,611</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>1,457,424</td>
<td>1,421,644</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned Trackage Rights Revenue</td>
<td>33,607</td>
<td>32,996</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>33,607</td>
<td>32,996</td>
</tr>
<tr>
<td><strong>NONCURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from DART</td>
<td>1,158,611</td>
<td>1,158,611</td>
</tr>
<tr>
<td><strong>TOTAL NONCURRENT LIABILITIES</strong></td>
<td>1,158,611</td>
<td>1,158,611</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,192,218</td>
<td>1,191,607</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>265,206</td>
<td>230,037</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td>$1,457,424</td>
<td>$1,421,644</td>
</tr>
</tbody>
</table>

These financial reports have been prepared for internal use only.
## REGIONAL RAIL RIGHT OF WAY COMPANY
### STATEMENTS OF REVENUES AND EXPENSES

For the Years Ended September 30, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>09/30/2019</th>
<th>09/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trackage Rights Revenues</td>
<td>$135,169</td>
<td>$165,586</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>135,169</td>
<td>165,586</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expenses (See note)</td>
<td>(100,000)</td>
<td>(150,000)</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>(100,000)</td>
<td>(150,000)</td>
</tr>
<tr>
<td><strong>NET OPERATING INCOME</strong></td>
<td>$35,169</td>
<td>$15,586</td>
</tr>
</tbody>
</table>

**NOTE:** Regional Rail Right of Way reimburses DART for staff administrative functions performed on its behalf. Administrative expenses are recorded in the year the Regional Rail Right of Way Board approves them. Prior year expenses are approved and paid in the subsequent year.

These financial reports have been prepared for internal use only.
# REGIONAL RAIL RIGHT OF WAY COMPANY
## SCHEDULE OF CASH RECEIPTS AND PAYMENTS
### For the Year Ended September 30, 2019

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts</th>
<th>Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE AS OF OCTOBER 1, 2018</td>
<td></td>
<td>$239,265</td>
</tr>
<tr>
<td><strong>CASH RECEIPTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union Pacific (July – September 2018)</td>
<td>18,043</td>
<td></td>
</tr>
<tr>
<td>Union Pacific (October – December 2018)</td>
<td>12,434</td>
<td></td>
</tr>
<tr>
<td>Union Pacific (April – June 2019)</td>
<td>11,476</td>
<td></td>
</tr>
<tr>
<td>DGNO (January – December 2019)</td>
<td>66,397</td>
<td></td>
</tr>
<tr>
<td>City of Grapevine (September 2019 – August 2020)</td>
<td>18,554</td>
<td></td>
</tr>
<tr>
<td>Fort Worth &amp; Western Railroad (January – December 2018)</td>
<td>5,468</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CASH RECEIPTS</strong></td>
<td></td>
<td>132,372</td>
</tr>
<tr>
<td><strong>CASH PAYMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>(100,000)</td>
<td>(100,000)</td>
</tr>
<tr>
<td><strong>TOTAL CASH PAYMENTS</strong></td>
<td></td>
<td>(100,000)</td>
</tr>
<tr>
<td><strong>INCREASE IN CASH BALANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INCREASE IN CASH BALANCE</strong></td>
<td></td>
<td>32,372</td>
</tr>
<tr>
<td><strong>ENDING CASH BALANCE AS OF SEPTEMBER 30, 2019</strong></td>
<td></td>
<td>$271,637</td>
</tr>
</tbody>
</table>

These financial reports have been prepared for internal use only.

(Concluded)