



Board of Directors Regular Meeting October 27, 2022 | 10:00 a.m.

NOTICE IS HEREBY GIVEN that the members of the Denton County Transportation Authority (DCTA) Board of Directors will hold a Regular Meeting on Thursday, October 27, 2022 at 10:00 a.m. at the DCTA Administrative Offices located at 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057 and by Zoom Video Conference at which time the following agenda will be discussed.

The public is allowed to use the ZOOM link below to participate in a Board Meeting. To join the meeting, please use the information below:

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/87971370736?pwd=aFdzSG16WDFOdjQ3M0Z5d1ZZS0drdz09>

Passcode: 345793

Or One tap mobile:

US: +13462487799

Or Telephone:

Dial US: +1 346 248 7799

Webinar ID: 879 7137 0736

Passcode: 345793

As authorized by Section 551-071 of the Texas Government Code, the Board of Directors may convene into Closed Executive Session for the purpose of seeking legal advice from Legal Counsel on any item on the agenda at any time during the meeting.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTIONS

PUBLIC COMMENT

This agenda item provides an opportunity for citizens to address the DCTA Board of Directors on any agenda item(s) or other matters relating to DCTA. Each speaker will be given a total of three (3) minutes to address any item(s). Anyone wishing to speak shall be courteous and cordial.

Speakers making personal, impertinent, profane, or slanderous remarks may be removed from the meeting. Unauthorized remarks from the audience, stamping of feet, whistles, yells, clapping and similar demonstrations will not be permitted.

Citizens that are not able to participate in-person must email his or her public comment to kmorris-perkins@dcta.net no later than **3:00 pm on Wednesday, October 26, 2022**, to ensure the comment will be distributed to Board Members prior to the meeting.



The Board of Directors is not permitted to take action on any subject raised by a speaker during Public Comments. However, the DCTA Board of Directors may have the item placed on a future agenda for action; refer the item to the DCTA Administration for further study or action; briefly state existing DCTA policy; or provide a brief statement of factual information in response to the inquiry.

CONSENT AGENDA

1. Consider Approval of Excess Rail Liability Coverage with Dallas Area Rapid Transit (DART)

(packet page 6)

Action Item

Backup Information: Memo

2. Consider Approval of Regular Meeting Minutes dated September 22, 2022

(packet pages 7-16)

Action Item

Backup Information: Exhibit 1: Regular Meeting Minutes – September 22, 2022

3. Consider Approval of Monthly Financial Statements for September 2022 & Quarterly Reports for Q4 FY2022

(packet pages 17- 48)

Action Item

Backup Information: Memo 1
Exhibit 1(a): Monthly Financial Statements – September 2022
Exhibit 1(b): Capital Projects Budget Report – September 2022
Memo 2
Exhibit 2: Quarterly Investment Report Q4 FY22
Memo 3: Quarterly Grants Report Q4 FY22

4. Discuss and Consider Approval of a Task Order with Accenture, LLC for Finance Staff Augmentation for the period December 1, 2022 – January 31, 2023

(packet pages 49-51)

Action Item

Backup Information: Memo

REGULAR AGENDA

1. Discuss and Consider Approval of the 88th Texas State Legislative Agenda (packet page 52)

Action Item

Presenters: Brittney Farr, Senior Director of Engagement and Administration
Brandi Bird, State Legislative Consultant – Bird Advocacy
Drew Campbell, State Legislative Consultant – Capitol Insights
Byron Campbell, State Legislative Consultant – Capitol Insights

Backup Information: Memo

2. Discuss Update on January 2023 Fare and Service Change Public Messaging and Implementation Plan
(packet pages 53-54)

Discussion Item

Presenters: Paul Cristina, Chief Executive Officer
Brittney Farr, Senior Director of Engagement and Administration

Backup Information: Memo
Exhibit 1: January 1, 2023 Service Change Summary

3. Discuss Opportunities for Optimizing Multimodal Services and Key Performance Indicator (KPI) Reporting
(packet page 55)

Discussion Item

Presenter: Paul Cristina, Chief Executive Officer
Javier Trilla, AVP of Innovation and Information Technology

Backup Information: Memo

4. Discuss Local and Regional Transportation Updates and Legislative Issues
(packet pages N/A)

Discussion Item

INFORMATIONAL REPORTS

1. Monthly Financial Reports
(packet pages 56-65)

Backup Information: Memo 1: Monthly Sales Tax Receipts
Exhibit 1: Monthly Sales Tax Report
Memo 2: Budget Information
Exhibit 2: Year-to-Date FY22 Budget Revisions

2. Monthly Ridership Reports
(packet pages 66-75)

Backup Information: Memo
Exhibit 1: Ridership by Mode – September 2022
Exhibit 2: Connect and GoZone Ridership by Month and Year
Exhibit 3: Connect Ridership Year-Over-Year by Month
Exhibit 4: A-train Year-Over-Year Ridership Comparison
Exhibit 5: Fixed-Route Ridership – September 2022
Exhibit 6: UNT Ridership Year-Over-Year by Month

3. Amend Interlocal Agreement with Trinity Metro and Task Order with Lyft for Alliance Services
(packet pages 76-77)

Backup Information: Memo

4. Update on Joint Rail Operations Facility Short Term Lease and Project Design
(packet page 78-104)

Backup Information: Memo
Exhibit 1: Lease Agreement



- Exhibit 2: Exhibit A Site Plan
- Exhibit 3: Exhibit B-1 OMF Operating Plan before Silverline Operations
- Exhibit 4: Exhibit B-2 OMF Operating Plan during Silverline Operations
- Exhibit 5: Agreement For A-train Operations and Maintenance Amendment No.1

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

Next Regular Board Meeting Date: December 1, 2022

REPORT ON ITEMS OF COMMUNITY INTEREST

Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

CONVENE EXECUTIVE SESSION

The Board may convene the Regular Board Meeting into Closed Executive Session for the following:

No scheduled Executive Session for this agenda.

RECONVENE OPEN SESSION

Reconvene and Take Necessary Action on Items Discussed during Executive Session.

ADJOURN

Board Members:

Cesar Molina, Denton County Seat 1, *Chair*
TJ Gilmore, Lewisville, *Vice-Chair*
Dianne Costa, Highland Village, *Secretary*
Alison Maguire, Denton
Andy Eads, Denton County Seat 2

Alternates

Jody Gonzalez, Denton County Seat 1
Kristin Green, Lewisville
Pat Smith, Denton
Paul Stevens, Highland Village
Vacant, Denton County Seat 2



Non-Voting Board Members:

Dennie Franklin, Frisco
Mark Miller, Flower Mound
Jeremie Maurina, The Colony
Connie White, Small Cities
Tom Winterburn, Corinth
Vacant, Little Elm

Staff Liaison:

Paul Cristina, CEO

This notice was posted on October 21, 2022 by 6pm.

A handwritten signature in blue ink, reading "Kisha Morris-Perkins", is written over a horizontal line.

Kisha Morris-Perkins
Executive Assistant | Board Process Manager



Board of Directors Memo

October 27, 2022

SUBJECT: Consider Approval of Excess Rail Liability Coverage with Dallas Area Rapid Transit (DART)

Recommendation

Staff recommends the Board approve payment not to exceed \$725,000 to DART for DCTA's portion of excess rail liability insurance for November 1, 2022 through October 31, 2023.

Background

In accordance with the DART/DCTA interlocal agreement (ILA) regarding DCTA's ability to operate rail service on DART's corridor, DCTA is required to maintain a minimum of \$125 million in rail operations liability insurance coverage.

Over the past few years, insurance carriers have left the market thereby causing a decrease in coverage capacity and a significant increase in premiums nationwide. Currently, each agency is required to secure coverage on its own.

DCTA is included in DART's rail liability insurance pool as an insured, along with TEXRail and Grapevine Vintage Railroad, which is more cost effective than each agency securing its own coverage. The current coverage with DART expires October 31, 2022. Staff anticipates the DART Board approving a renewal of the coverage at its October 25th Board meeting, at which time the premium amount will be known to DCTA.

Previous Board Activity & Action

There has been no previous Board-level activity on this item.

Identified Need

DCTA is contractually required to maintain rail operations liability insurance with a minimum limit of \$125 million.

Financial Impact

The cost for excess rail liability premiums is incorporated within the FY23 budget. The precise premium is unknown at this time but is not anticipated to exceed \$725,000.

Exhibits

None.

Submitted By:


Athena Forrester
AVP of Regulatory Compliance



Board of Directors Regular Meeting

September 22, 2022 | 10:00 a.m.

The Board of Directors of the Denton County Transportation Authority (DCTA) convened a Regular Board of Directors Meeting with Chair Cesar Molina presiding on Thursday, September 22, 2022, at 10:00am, located at the DCTA Administrative Offices, 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

Voting Members

Chair Cesar Molina, Denton County
Vice-Chair TJ Gilmore, City of Lewisville
Secretary Dianne Costa, City of Highland Village
Board Member Andy Eads, Denton County
Board Member Alison Maguire, City of Denton

Alternates

Board Member Jody Gonzalez, Denton County
Board Member Kristin Green, City of Lewisville
Board Member Pat Smith, City of Denton
Board Member Paul Stevens, City of Highland Village

Non-Voting Members

Board Member Tom Winterburn, City of Corinth
Board Member Dennie Franklin, City of Frisco
Board Member Connie White, Small Cities
Board Member Mark Miller, City of Flower Mound
Board Member Jeremie Maurina, City of The Colony

Legal Counsel

Joe Gorfida, NJDHS

INTERIM DCTA CEO

Paul Cristina

CALL TO ORDER

Chair Molina called the meeting to order at 10:05am. All Board Members were present except for Board members Franklin, White and Miller.

INVOCATION

Board Member Smith provided the invocation.

PLEDGE OF ALLEGIANCE

The Board of Directors recited the pledge of allegiance to the United States and Texas flags.

INTRODUCTIONS

Interim CEO Paul Cristina introduced the following new DCTA staff members:

Belinda Dovalina, Accounting Manager

Sarah McKinney, Senior Procurement Specialist

PUBLIC COMMENT

The following individuals addressed the Board of Directors during this time:

Rushi Yalamanchili

Eva Grecco

Victoria Allen (email distributed to the Board prior to the meeting)

CONSENT AGENDA

1. **Consider Authorizing the Interim CEO to Execute a Contract with Vertosoft LLC for the Swiftly Connected Transit Platform (CAD/AVL) in the amount of \$961,493.12**

[\(packet pages 7-17\)](#)

Action Item

Backup Information:

Memo

Exhibit 1: Swiftly ELP Summary Slide

Exhibit 2: Swiftly Connected Transit Platform Presentation

Exhibit 3: Vertosoft Swiftly Quote – DCTA

2. **Consider Authorizing the Interim Chief Executive Officer (CEO) to Execute a Contract with Cummins Southern Plains LLC for remanufactured transmissions, remanufactured engines, and parts for bus services in the estimated amount of \$379,512.00**

[\(packet page 18-29\)](#)

Action Item

Backup Information:

Memo

3. **Consider a Third Amended and Restated Interlocal Agreement (ILA) Renewal with the City of Coppell in the amount not to exceed \$50,000**

[\(packet pages 19\)](#)

Action Item

Backup Information:

Memo

Exhibit 1: Interlocal Agreement

4. **Consider a Resolution to Adopt the Financial Management and Investment Policies**

[\(packet pages 30-55\)](#)

Action Item

Backup Information:

Memo

Exhibit 1: Resolution with Exhibit “A” Financial Management Policies & Investment Policy

Exhibit 2: FY 2023 Investment Policy Review Letter

5. Consider Approval of Regular and Special Called Meeting Minutes dated June 23, 2022, July 27, 2022, July 28, 2022, August 25, 2022, September 6, 2022, September 12, 2022, and September 13, 2022

(packet pages 56-90)

Action Item

Backup Information: Exhibit 1: June 23, 2022 Regular Meeting Minutes
Exhibit 2: July 27, 2022 Special Meeting Minutes
Exhibit 3: July 28, 2022 Regular Meeting Minutes
Exhibit 4: August 25, 2022 Regular Meeting Minutes
Exhibit 5: September 6, 2022 Special Meeting Minutes
Exhibit 6: September 12, 2022 Special Meeting Minutes
Exhibit 7: September 13, 2022 Special Meeting Minutes

6. Consider Approval of Monthly Financial Statements for August 2022

(packet pages 91-97)

Action Item

Backup Information: Memo
Exhibit 1(a): Monthly Financial Statements – August 2022
Exhibit 1(b): Capital Projects Budget Report – August 2022

7. Consider Approval of Task Order with Accenture, LLC in the amount of \$75,000 for Finance Staff Augmentation October 16 through November 30, 2022

(packet pages 98-99)

Action Item

Backup Information: Memo

Motion by Board Member Maguire with a second by Secretary Costa to approve the Consent Agenda as presented. Motion passes 5-0. Note: Consent Agenda item 4 contained the approval of Resolution R22-09.

REGULAR AGENDA

1. Consider a Resolution to Adopt the Fiscal Year (FY) 2023 Operating and Capital Budget, Long Range Financial Plan and Budget Contingency Plan

(packet pages 100-112)

Action Item

Presenters: Paul Cristina, Interim CEO
Amanda Riddle, Senior Manager of Budget
Backup Information: Memo
Exhibit 1: Resolution with attached Schedules and Plans

Interim CEO Paul Cristina and Senior Manager of Budget, Amanda Riddle gave the presentation highlighting the following:

- Overall Budget Summary
- Expanded Level Projects
- Capital Budget Summary

- 4 Year Outlook – Revenue vs. Expenses

Board discussion regarding grant funding.

Motion by Secretary Costa and a second by Board Member Maguire to approve Resolution R22-10 as presented. Motion passes 5-0.

2. Consider One-Time Fiscal Year (FY) 2022 Compensation for Denton County Transportation Authority (DCTA) and North Texas Mobility Corporation (NTMC) Employees to Offset Inflation

(packet page 113)

Action Item

Presenter: Paul Cristina, Interim CEO

Backup Information: Memo

Interim CEO Paul Cristina presented the staff report highlighting the following:

- DCTA and NTMC Compensation Adjustment
 - ✓ Table 1 – Member City and Denton County Benchmarking, August Board Meeting (One-Time Payment/Annual Increase FY23)
 - ✓ Table 2 – One-Time Payment Calculation, August Board Meeting Category, Annual Cost, Inflation % (Prior 12 months)
- DCTA benchmarked against member cities and Denton County when considering compensation for FY23 Budget and recommended: 4% across-the-board increase and a one-time payment of \$2,300 for all DCTA and NTMC employees, calculated to address inflation. Per Board direction, staff included a 5% across-the-board salary increase to all DCTA and NTMC staff within the FY23 Budget and to identify salary levels in the DCTA and NTMC organizations, number of employees per salary level and relative impact of a \$1,000 one-time payment.
- DCTA and NTMC Employee Salary Distribution and Proportionate One-Time Pay Impact: Identification of number of employees at various salary levels across DCTA and NTMC organization and the proportionate impact of a proposed \$1,000, one-time payment relative to annual pay with the following assumptions:
 - ✓ 5% “across the board” pay increase included in the FY2023 budget.
 - ✓ Includes only active employees. Vacant positions are not included.
 - ✓ Executive positions (CEO, Deputy CEO, CFO) and HTG staff are not included.
 - ✓ Payment, if approved, made from existing FY2023 budget.
 - ✓ NTMC Employees are paid hourly. Therefore, pay level is equivalent to full time work at various hourly wages.
- Total cost for 113 employees if approved: \$113,000

Board discussion regarding clarification of the inclusion of operators and mechanics in the recommended compensation. It was the consensus of the Board to have, in the near future, a broader discussion regarding compensation of employees to remain competitive and encourage tenure and longevity across the agency.

Motion by Secretary Costa with a second by Board Member Eads to approve budget authority to provide compensation to address inflation of 5% increase across the board with a one-time payment in the amount of \$1,000 to be paid from FY2022 funds. All DCTA and NTMC employees in good standing as of September 30, 2022, are eligible, with the encouragement to the NTMC Board of Directors to take action to approve the payment to NTMC employees. Motion passes 5-0.

3. Consider Fiscal Year 2023 Election of Board Officers

(packet page 114)

Action Item

Presenter: Brittney Farr, Senior Director of Engagement & Administration
Backup Information: Memo

Brittney Farr, Senior Director of Engagement and Administration, provided the Board with the following information:

- DCTA Bylaws state the Board shall elect three (3) Voting Board Members to serve as Chair, Vice-Chair and Secretary
- The term of these officers is one (1) year and shall run from October 1 through September 30.
- A Board Member may not be elected to more than three (3) consecutive one-year terms as Chair.
- Current Officer term expire on September 30, 2022

Board discussion regarding future DCTA representation on the Dallas Regional Mobility Commission and Regional Transportation Council.

Motion by Vice-Chair Gilmore with a second by Board Member Maguire to elect the current Officers to serve an additional year: Cesar Molina, Chair; TJ Gilmore, Vice-Chair; Dianne Costa, Secretary. Motion passes 5-0.

4. Discuss State Legislative Update and Strategy

(packet page 115)

Discussion Item

Presenters: Brittney Farr, Senior Director of Engagement & Administration
Brandi Bird, Bird Advocacy
Drew Campbell, Capitol Insights
Byron Campbell, Capitol Insights
Backup Information: Memo

Brittney Farr, Senior Director of Engagement and Administration, introduced Brandi Bird, Bird Advocacy, Drew Campbell and Byron Campbell from Capitol Insights who presented the following:

First Steps

- Formal introduction to the Board
- Discuss outreach strategy for Legislative delegation
- Discuss ideas for potential legislation in the upcoming season
- Strategy to achieve DCTA's goals
- Explain legislative process
- Feedback from Board and staff
- Discussed Legislative Delegation (State Senate/State House of Representatives)

Legislative Agenda Development – Next Six Weeks

- Identify key goals for the 88th Legislative session (Board/Staff)
- Introduce agenda to friends and leaders in the community
- Determine (if any) “sticking points” with other agencies and determine what (if any) negative legislation may be introduced
- Enter the session proactively and with a plan

Strategic Meetings

- Strategic meetings with members of the legislature and other partners (ongoing)
- Develop an in-person tour of DCTA facilities with Senators and Representatives within the DCTA Service area, following, other members within the DFW areas and transportation leadership in the House and Senate
- Identify key partners and invite to similar tours (University of North Texas/Texas Woman's University)

DCTA Legislative Day

- DCTA Day at the Capitol (coordinate with Denton County Days) – to meet with members of the legislature in Austin during session which increases visibility of DCTA and reinforces existing relationships

Key Dates:

- October 24, 2022 – First Day of Early Voting
- November 8, 2022 – Election Day
- November 14, 2022 – First Day Members Can File Legislation
- January 10, 2023 – First Day of Session
- March 10, 2023 – Bill Filing Deadline
- May 29, 2023 – Sine Die

Board and staff discussion regarding priorities and opportunities such as the A-train Enhancement Study, general revenue funding for public transportation and DCTA success stories.

No Board action required at this time.

5. Discuss DCTA Letter of Support – Texas Central High-Speed Rail (packet pages 116-118)

Discussion Item

Presenter: Brittney Farr, Senior Director of Engagement and Administration
Backup Information: Memo
Exhibit 1: Michael Morris (NCTCOG) News Column

Brittney Farr, Senior Director of Engagement and Administration, provided a briefing to the Board highlighting the Mobility High Speed Rail Map and news column by Michael Morris.

Board discussion regarding rail connectivity meeting the needs of the community and clarification of the “audience” for the letter of support. It was the consensus of the Board around the sentiment; however, for staff to work with the legislative consultants regarding policy or position statements and formally present to the Board at a later date.

No Board action required at this time.

6. Update on GoPass Participation and DCTA Pass Structure (packet page 119)

Discussion Item

Presenter: Javier Trilla, AVP Innovation and Information Technology
Backup Information: Memo

Javier Trilla, AVP of Innovation and Information Technology, presented the following:

- DCTA – Passenger Facing Technology (DCTA, GoZone, Transit, GoPass)
 - ✓ Local A-train and Fixed Route Bus Planning
 - ✓ GoZone
 - ✓ Regional Trip Planning
 - ✓ Fare Payment
- GoPass – Features and Benefits to DCTA
 - ✓ Trip Planning
 - ✓ Mobile Ticketing
- GoPass – GoZone Integration Update
 - ✓ Trinity Metro ZipZone Integration
 - ✓ DCTA GoZone Integration
- GoPass – Modifications to DART/DCTA Interlocal Agreement

Board discussion regarding Trinity Metro and DART Interlocal Agreement, possible impact with Via contract, desire for customer/rider to have “seamless” experiences with Via and DART, fixed pricing, “turn-key” options, concerns with \$200 per hour development rate, and percentages of fares collected through GoPass (50%).

7. Consider November 2022 and December 2022 Board Meeting Dates

(packet page 120)

Action Item

Presenter: Paul Cristina, Interim CEO
Backup Information: Memo

After discussion with the Board and staff, it was the consensus of the Board to combine the November and December board meetings. The combined Board Meeting will be held on December 1, 2022.

8. Discuss Local and Regional Transportation Updates and Legislative Issues

(packet pages N/A)

Discussion Item

Cesar Molina

- Transit Coalition of North Texas Annual Luncheon
September 16, 2022 – Future of Transit
Panelists: Board Chairs from DCTA, DART and Trinity Metro

Dianne Costa

- DMRC – Discussions of Joint Rail Operations, 1 Year GoZone Anniversary, A-train Efficiency Study, Downtown Carrollton Station, CEO Search, 2023 Unified Transit Program and November elections.
- RTC – Bylaws Revision Committee, DART Update, Increase in fatality rates, High Speed Rail Version 2.0 and Transit Strategic Partnership

INFORMATIONAL REPORTS

1. Monthly Financial Reports

(packet pages 121-125)

Backup Information: Memo 1: Monthly Sales Tax Receipts
Exhibit 1: Monthly Sales Tax Report
Memo 2: Budget Information

2. Monthly Ridership Reports

(packet pages 126-133)

Backup Information: Memo
Exhibit 1: Ridership by Mode – August 2022
Exhibit 2: Connect and GoZone Ridership by Month and Year
Exhibit 3: Connect Ridership Year-Over-Year by Month
Exhibit 4: A-train Year-Over-Year Ridership Comparison
Exhibit 5: Fixed-Route Ridership – August 2022
Exhibit 6: UNT Ridership Year-Over-Year by Month



3. Social Service Agency Recap Report

(packet pages 134-143)

Backup Information: Memo
Exhibit 1: Social Services Roundtable Recap Report

4. Community Advisory Committee Recap Report

(packet pages 144-151)

Backup Information: Memo
Exhibit 1: Community Advisory Committee Recap Report

5. Public Transportation Agency Safety Plan (PTASP) Update

(packet pages 152-155)

Backup Information: Memo
Exhibit 1: FTA Dear Colleague Letter

There were no questions regarding Informational Items.

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

Staff will discuss proposed future agenda items. Board members may request an informational item or action item to be added to the next Board meeting agenda.

Next Regular Board Meeting Date: October 27, 2022

There were no Board Member requests at this time.

REPORT ON ITEMS OF COMMUNITY INTEREST

Pursuant to Texas Government Section 551.0415 the Board of Directors may report on following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming DCTA and Member City events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

Western Days – Lewisville
September 23-24, 2022

Denton Arts and Jazz Festival – Quaker Town Park
October 8-9, 2022

DCTA Finance Team Awarded the Distinguished Budget Presentation Award (16th consecutive year)

DCTA Procurement Staff awarded the 2022 Achievement of Excellence in Procurement Award (7th consecutive year)

CONVENE EXECUTIVE SESSION



The Board of Directors will convene into Closed Executive Session pursuant to Section 551.074 of the Texas Government Code, Personnel Matters, to deliberate the employment and duties of the Chief Executive Officer.

Chair Molina read the Executive Session language and the Board convened into Executive Session at 11:39am.

RECONVENE OPEN SESSION

The Board of Directors adjourned the Executive Session and reconvened in Open Session at 2:22pm with the following action taken: Motion by Vice Chair Gilmore with a second by Board Member Eads to authorize the Board Chair to execute an employment agreement for the DCTA Chief Executive Officer position with Paul Cristina. Motion passes 5-0.

ADJOURN

Motion by Vice-Chair Gilmore with a second by Board Member Eads to adjourn the meeting at 2:29pm. Motion passes 5-0.

Cesar Molina, Board Chair

Dianne Costa, Board Secretary

Board of Directors Memo

October 27, 2022

SUBJECT: Consider Approval of Monthly Financial Statements for September 2022

Recommendation

Staff recommends the Board approve the monthly financial statements for September 2022.

Background

The financial statements are presented monthly to the Board of Directors for acceptance. The reports for the period ending September 30, 2022, include the Statement of Change in Net Position, Statement of Net Position, and Capital Projects Budget Report. These reports provide a comparison of year-to-date budget vs. actual as of the current month.

Previous Board Activity & Action

There has been no previous Board activity on this item.

Identified Need

Provides the Board a review of the agency's financial position and performance to budget.

Financial Impact

The following are major variances between year-to-date budget and year-to-date actuals, which are annotated on the Statement of Change in Net Position.

- Note A:** Passenger Revenues – YTD favorable by \$286k due primarily to Connect and GoZone ridership of 745k which was 79% higher than budgeted ridership of 417k (\$334k increased revenue accumulated in GoZone for FY22).

	YTD FY22 Actual Ridership	YTD FY22 Budgeted Ridership	% Variance, Actual to Budget	YTD FY21 Actual Ridership	% Variance, Actual to Prior Yr
Total Rail Ridership	175,637	175,278	0%	113,530	55%
Connect	129,266	134,853	-4%	200,210	-35%
Access & Zone Service	21,179	20,577	3%	20,343	4%
GoZone	615,975	282,087	118%	13,519	4456%
Frisco	6,374	4,593	39%	3,002	112%
Collin County Transit (CCT)	3,371	16,635	-80%	10,808	-69%
North Texas Xpress	1,920	440	336%	4,252	-55%
University of North Texas	1,019,061	1,235,658	-18%	461,963	121%
Special Movements	1,539	-	N/A	1,308	18%
Total Bus Ridership	1,798,685	1,694,843	6%	715,404	151%
Vanpool	210,228	-	N/A	199,034	6%
Total System Ridership	2,184,550	1,870,121	17%	1,027,968	113%

(A) FY21 ridership includes Lewisville Lakeway On-Demand and Downtown Denton Transit Center (DDTC) Evening On-Demand which ended September 6, 2021.

(B) Includes Demand Response service and Taxi service.

(C) FY21 ridership includes North Texas Xpress operated jointly with Trinity Metro through September 6, 2021. Beginning September 7, 2021, DCTA operates an abbreviated portion of the route with two trips each weekday.

(D) These ridership numbers are not linked to passenger revenues and are shown for information purposes only to present system-wide ridership.

- **Note B:** Contract Service Revenue – YTD unfavorable by \$547k primarily due to lower than budgeted revenue hours (\$547k decreased revenue) and billable fuel costs (\$39k decreased revenue). Average year to date pass-through fuel cost was \$3.5/gallon compared to budgeted \$3.00/gallon and usage of 100k gallons was 11% lower than budgeted usage of 124k gallons.
- **Note C:** Sales Tax Revenue – September sales tax revenue was not yet received as of month-end close and is accrued for the month based on budget - \$2,776,072. August's Sales Tax revenue of \$3,677,223 was higher than reported in August with the difference of \$901,151 reflected in September. Sales tax generated in September will be received in November (FY 2023).
- **Note D:** Federal/State Grant Revenues - Capital – YTD unfavorable by \$4.6 million due to a timing difference as reimbursements for the Positive Train Control (PTC) project are delayed due to delayed project expenditures. Reimbursement will be requested as funds are expended.

	YTD FY22 Actual Revenue	YTD FY22 Budgeted Revenue	Variance, Actual to Budget
PTC Implementation &	\$ 95,069	\$ 4,439,516	\$ (4,344,447)
Integrated Fare Payment	\$ 0	\$ 250,000	\$ (250,000)
	<u>\$ 95,069</u>	<u>\$ 4,689,516</u>	<u>\$ (4,594,447)</u>

- **Note E:** Federal/State Grant Revenues - Operating – YTD unfavorable by \$2.8 million due to reimbursement for operating assistance and bus preventive maintenance lower than original budgeted amount.

	YTD FY22 Actual Revenue	YTD FY22 Budgeted Revenue	Variance, Actual to Budget
Bus Preventive Maintenance	\$ 801,510	\$ 1,313,234	\$ (511,724)
Rail Preventive Maintenance	4,033,209	4,405,131	(371,922)
Operating Assistance	13,438,087	15,542,692	(2,104,605)
ADA Assistance	524,881	300,000	224,881
Vanpool	230,664	303,193	(72,529)
	<u>\$ 19,028,351</u>	<u>\$ 21,864,250</u>	<u>\$ (2,835,899)</u>

- **Note F:** Purchased Transportation Services Expense – YTD unfavorable by \$356k mainly due to higher than anticipated GoZone service costs. The FY22 YTD budget anticipated 7.1M GoZone service hours for all of FY22; actual YTD GoZone billed hours were 7.5M (\$386k increased expense).



Exhibits

Exhibit 1(a): Monthly Financial Statements – September 2022

Exhibit 1(b): Capital Projects Budget Report – September 2022

Submitted by: Isaias A. Rios
Isaias A Ríos, MBA
Accenture Consulting Manager



DENTON COUNTY TRANSPORTATION AUTHORITY

CHANGE IN NET POSITION

MONTH AND YEAR TO DATE AS OF SEPTEMBER 30, 2022

(UNAUDITED)

Description	Month Ended September 30, 2022			Year to Date September 30, 2022				Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Revenue and Other Income								
Passenger Revenues	\$ 99,587	\$ 61,821	\$ 37,766	\$ 928,716	\$ 642,579	\$ 286,137	\$ 642,579	Note A
Contract Service Revenues	487,185	396,860	90,325	3,718,416	4,043,386	(324,970)	4,043,386	Note B
Sales Tax Revenues	3,677,223	2,776,072	901,151	38,030,250	34,191,233	3,839,017	34,191,233	Note C
Federal/State Grants - Capital	7,032	250,000	(242,968)	95,069	4,689,516	(4,594,447)	4,689,516	Note D
Federal/State Grants - Operating	487,230	5,336,813	(4,849,583)	19,028,351	21,864,250	(2,835,899)	21,864,250	Note E
Total Revenues and Other Income	<u>4,758,257</u>	<u>8,821,566</u>	<u>(4,063,309)</u>	<u>61,800,802</u>	<u>65,430,964</u>	<u>(3,630,162)</u>	<u>65,430,964</u>	
Operating Expenses								
Salary, Wages and Benefits	291,135	426,808	135,673	4,005,236	5,103,643	1,098,407	5,103,643	
Outsourced Services and Charges	718,706	571,820	(146,886)	4,517,965	6,002,650	1,484,685	6,002,650	
Materials and Supplies	266,410	224,565	(41,845)	2,536,927	2,780,594	243,667	2,780,594	
Utilities	76,141	43,860	(32,281)	455,020	526,281	71,261	526,281	
Insurance	124,006	141,411	17,405	1,608,328	1,706,052	97,724	1,706,052	
Purchased Transportation Services	1,797,272	1,485,767	(311,505)	19,146,955	18,790,814	(356,141)	18,790,814	Note F
Employee Development	10,527	9,849	(678)	119,259	235,385	116,126	235,385	
Leases and Rentals	2,988	11,779	8,791	132,033	139,772	7,739	139,772	
Depreciation	937,127	942,696	5,569	11,351,682	11,349,464	(2,218)	11,349,464	
Total Operating Expenses	<u>4,224,312</u>	<u>3,858,555</u>	<u>(365,757)</u>	<u>43,873,406</u>	<u>46,634,655</u>	<u>2,761,249</u>	<u>46,634,655</u>	
Income Before Non-Operating Revenues and Expenses	533,945	4,963,011	(4,429,066)	17,927,396	18,796,309	(868,913)	18,796,309	
Non-Operating Revenues/(Expense)								
Investment Income	164,595	1,000	163,595	462,425	12,000	450,425	12,000	
Gain (Loss) on Disposal of Assets	21,936	-	21,936	29,719	-	29,719	-	
Other Income/(Expense) - Miscellaneous	115,010	-	115,010	681,289	2,794,840	(2,113,551)	2,794,840	
Long Term Debt Interest/Expense	(19,947)	(19,813)	(134)	(233,827)	(237,800)	3,973	(237,800)	
Total Non-Operating Revenues/(Expenses)	<u>281,594</u>	<u>(18,813)</u>	<u>300,407</u>	<u>939,606</u>	<u>2,569,040</u>	<u>(1,629,434)</u>	<u>2,569,040</u>	
Income (Loss) before Transfers	815,539	4,944,198	(4,128,659)	18,867,002	21,365,349	(2,498,347)	21,365,349	
Transfers Out	(420,308)	(591,534)	171,226	(5,926,669)	(7,263,989)	1,337,320	(7,263,989)	
Total Transfers	<u>(420,308)</u>	<u>(591,534)</u>	<u>171,226</u>	<u>(5,926,669)</u>	<u>(7,263,989)</u>	<u>1,337,320</u>	<u>(7,263,989)</u>	
Change in Net Position	<u>\$ 395,231</u>	<u>\$ 4,352,664</u>	<u>\$ (3,957,433)</u>	<u>\$ 12,940,333</u>	<u>\$ 14,101,360</u>	<u>\$ (1,161,027)</u>	<u>\$ 14,101,360</u>	



DENTON COUNTY TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2022 (UNAUDITED)

	September 30, 2022	August 31, 2022	Change
Assets			
Current Assets			
Cash & Cash Equivalents	\$ 82,626,259	\$ 83,016,090	\$ (389,831)
Investments	9,445,709	11,446,987	(2,001,279)
Receivables	7,132,779	8,241,928	(1,109,149)
Prepaid Expenses	248,494	230,557	17,938
Inventory	721,190	734,878	(13,688)
Total Current Assets	100,174,431	103,670,439	(3,496,008)
Non-Current Assets			
Restricted Cash	675,492	677,029	(1,536)
Capital Assets:			
Land	17,394,147	17,394,147	-
Land Improvements	12,158,726	12,158,726	-
Machinery & Equipment	5,250,731	5,250,731	-
Vehicles	90,975,490	92,912,472	(1,936,982)
Computers & Software	1,791,431	1,791,431	-
Intangible Assets	16,997,155	16,997,155	-
Construction in Progress	6,468,223	4,903,518	1,564,705
Other Capital Assets, Net	251,986,070	251,986,070	-
Accumulated Depreciation	(105,623,687)	(106,583,542)	959,855
Total Non-Current Assets	298,073,778	297,487,736	586,042
Total Assets	398,248,209	401,158,175	(2,909,966)
Deferred Outflow of Resources			
Deferred Outflows Related to Pensions	421,130	421,130	-
Total Deferred Outflow of Resources	421,130	421,130	-
Liabilities			
Current Liabilities			
Accounts Payable	234,425	920,792	(686,367)
Accrued Liabilities and Other	1,755,017	1,697,738	57,279
Unearned Revenues	2,378,040	2,489,420	(111,380)
Interest Payable	-	99,729	(99,729)
Total Current Liabilities	4,367,482	5,207,679	(840,198)
Non-Current Liabilities			
Rail Easement Payable	700,000	700,000	-
Bonds Payable	18,800,000	21,265,000	(2,465,000)
Net Pension Liability	65,492	65,492	-
Total Non-Current Liabilities	19,565,492	22,030,492	(2,465,000)
Total Liabilities	23,932,974	27,238,171	(3,305,198)
Deferred Inflow of Resources			
Deferred Inflows Related to Pensions	152,490	152,490	-
Total Deferred Inflow of Resources	152,490	152,490	-
Net Position			
Net Investment in Capital Assets	283,862,326	283,862,326	-
Unrestricted	77,781,216	77,781,216	-
Change in Net Position	12,940,333	12,545,102	395,231
Total Net Position	\$ 374,583,875	\$ 374,188,644	\$ 395,231



NORTH TEXAS MOBILITY CORPORATION
CHANGE IN NET POSITION
MONTH AND YEAR TO DATE AS OF SEPTEMBER 30, 2022
(UNAUDITED)

Description	Month Ended September 30, 2022			Year to Date September 30, 2022			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Operating Expenses							
Salary, Wages and Benefits	\$ 369,771	\$ 541,625	\$ 171,854	\$ 5,355,034	\$ 6,661,164	\$ 1,306,130	\$ 6,661,164
Outsourced Services and Charges	41,751	38,018	(3,733)	504,702	452,892	(51,810)	452,892
Materials and Supplies	-	150	150	940	1,936	996	1,936
Insurance	6,982	7,616	634	52,044	89,337	37,294	89,337
Employee Development	1,804	4,125	2,321	13,949	58,660	44,711	58,660
Total Operating Expenses	<u>420,308</u>	<u>591,534</u>	<u>171,226</u>	<u>5,926,669</u>	<u>7,263,989</u>	<u>1,337,320</u>	<u>7,263,989</u>
Income (Loss) before Transfers	(420,308)	(591,534)	171,226	(5,926,669)	(7,263,989)	1,337,320	(7,263,989)
Transfers In	420,308	591,534	(171,226)	5,926,669	7,263,989	(1,337,320)	7,263,989
Total Transfers	<u>420,308</u>	<u>591,534</u>	<u>(171,226)</u>	<u>5,926,669</u>	<u>7,263,989</u>	<u>(1,337,320)</u>	<u>7,263,989</u>
Change in Net Position	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ (0)</u>



NORTH TEXAS MOBILITY CORPORATION

STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2022 (UNAUDITED)

	September 30, 2022	August 31, 2022	Change
Assets			
Cash & Cash Equivalents	\$ 307,619	\$ 323,862	\$ (16,244)
Receivables	-	-	-
Prepaid Expenses	-	6,982	(6,982)
Total Assets	<u>307,619</u>	<u>330,844</u>	<u>(23,225)</u>
Liabilities			
Accounts Payable	6,549	83,163	(76,614)
Accrued Liabilities and Other	301,069	247,681	53,388
Total Liabilities	<u>307,619</u>	<u>330,844</u>	<u>(23,225)</u>
Net Position			
Change in Net Position	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DENTON COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECTS BUDGET REPORT

AS OF SEPTEMBER 30, 2022

Capital Project Number/Name	Project Budget	September 2022 Actuals Booked	Actuals Life To Date	\$ Under/ (Over) Budget	% of Budget (As of September 2022 Close)
Construction Work in Progress					
G&A Capital Projects					
Total 10302 · Infrastructure Acquisition	3,251,990	-	2,617,009	634,981	80%
<i>Total 10404 · Backup Infrastructure Upgrade - CLOSED</i>	<i>45,000</i>	<i>-</i>	<i>45,370</i>	<i>(370)</i>	<i>101%</i>
<i>Close-Out to Operating Expense</i>	<i>(45,000)</i>	<i>(45,370)</i>	<i>(45,370)</i>		
<i>Net Remaining · Backup Infrastructure Upgrade</i>	<i>-</i>	<i>(45,370)</i>	<i>-</i>	<i>(370)</i>	
Total 10702 · Transportation Reinvestment Program - FY21	100,000	-	52,473	47,527	52%
<i>Close-Out to Operating Expense</i>	<i>(18,557)</i>		<i>(18,557)</i>		
Net Remaining · Transportation Reinvestment Program - FY21	81,444	-	33,916	47,527	
Total 10702.1 · Transportation Reinvestment Program FY21 - Denton	3,424,946	-	47,206	3,377,740	1%
<i>Close-Out to Operating Expense</i>	<i>(5,173)</i>		<i>(5,173)</i>		
Net Remaining · Transportation Reinvestment Program FY21 - Denton	3,419,773	-	42,033	3,377,740	
Total 10702.2 · Transportation Reinvestment Program FY21 - Highland Village	379,591	-	2,358	377,233	1%
<i>Close-Out to Operating Expense</i>	<i>(2,358)</i>		<i>(2,358)</i>		
Net Remaining · Transportation Reinvestment Program FY21 - Highland Village	377,233	-	-	377,233	
Total 10702.3 · Transportation Reinvestment Program FY21 - Lewisville	3,837,597	1,256,267	1,260,254	2,577,343	33%
<i>Close-Out to Operating Expense</i>	<i>(3,710)</i>		<i>(3,710)</i>		
Net Remaining · Transportation Reinvestment Program FY21 - Lewisville	3,833,887	1,256,267	1,256,544	2,577,343	
Total 10703 · Transportation Reinvestment Program - FY22	100,000	-	-	100,000	0%
Total 10703.1 · Transportation Reinvestment Program FY22 - Denton	4,263,151	-	-	4,263,151	0%
Total 10703.2 · Transportation Reinvestment Program FY22 - Highland Village	450,500	-	-	450,500	0%
Total 10703.3 · Transportation Reinvestment Program FY22 - Lewisville	5,019,354	-	-	5,019,354	0%
Total G&A Capital Projects	20,842,332	1,210,897	3,949,502	16,847,460	19%
Bus Capital Projects					
Total 50307 · Major Maintenance - Bus 2022	179,530	-	-	179,530	0%
Total 50411 · Integrated Fare Payment	600,000	-	-	600,000	0%
Total 50412 · Bus OMF Network Video Recorder	26,000	-	-	26,000	0%
Total 50413 · DDTC Rail Fiber Extension	125,000	70,141	75,669	49,331	61%
Total Bus Capital Projects	930,530	70,141	75,669	854,861	8%
Rail Capital Projects					
Total 61302 · Joint Rail Operations Facility (JROF)	2,794,840	146,150	502,611	2,292,229	18%
Total 61406.1 · Positive Train Control Implementation	16,720,141	395	16,141,802	578,339	97%
<i>Close-Out to Capitalized Assets</i>	<i>(16,022,566)</i>	<i>-</i>	<i>(16,022,566)</i>		
Net Remaining · Positive Train Control Implementation	697,575	395	119,236	578,339	
Total 61406.2 · Positive Train Control Enhancements	5,000,000	-	148,180	4,851,820	3%
Total 61605 · Brownfield Remediation	420,000	575	416,893	3,107	99%
<i>Close-Out to Operating Expenses</i>	<i>(366,448)</i>	<i>-</i>	<i>(366,448)</i>		
Net Remaining · Brownfield Remediation	53,552	575	50,445	3,107	
<i>Total 61723.1 · Canopy Repairs 2021 - CLOSED</i>	<i>486,127</i>	<i>-</i>	<i>302,143</i>	<i>183,984</i>	<i>62%</i>
<i>Close-Out to Operating Expenses</i>	<i>(302,143)</i>	<i>(237,088)</i>	<i>(302,143)</i>		
<i>Net Remaining · Canopy Repairs 2021</i>	<i>183,984</i>	<i>(237,088)</i>	<i>-</i>	<i>183,984</i>	
Total 61724 · Major Maintenance-Rail 2022	1,836,442	373,636	1,622,580	213,862	88%
Total Rail Capital Projects	10,566,393	283,667	2,443,053	8,123,340	23%
Total Construction Work in Progress	\$ 32,339,254	\$ 1,564,705	\$ 6,468,223	\$ 25,825,661	20%

Board of Directors Memo

October 27 2022

SUBJECT: Quarterly Investment Report Q4 FY2022

Recommendation

Staff recommends the Board approve the quarterly investment report for Q4 FY2022.

Background

The Texas Public Funds Investment Act and DCTA's investment policy require a quarterly investment report signed by DCTA's Investment Officers be presented to the DCTA Board of Directors. The report must include a detail of DCTA's investment position, beginning and ending book and market value of each investment for the quarter, a comparison of the performance of DCTA's portfolio compared to other benchmarks, and a statement of compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.

Previous Board Activity & Action

There has been no previous Board-level activity on this item.

Identified Need

Provides the Board of Directors a quarterly status of DCTA's investment position.

Financial Impact

This item is included for informational purposes only; there is no financial impact associated with this item.

Exhibits

Exhibit 2: Quarterly Investment Report Q4 FY2022

Submitted By: _____



Isaías A. Ríos

Accenture Consulting Manager

INVESTMENT REPORT

Denton County Transportation Authority

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July 1 to September 30, 2022



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Investment Management Team

Scott McIntyre
Senior Portfolio Manager
512.481.2009
Scott.McIntyre@HilltopSecurities.com

Greg Warner
Senior Portfolio Manager
512.481.2012
Greg.Warner@HilltopSecurities.com

Jodi Jones
Investment Reporting Manager
512.481.2076
Jodi.Jones@HilltopSecurities.com

Market Recap

The month of September was not a good one for the financial markets. The Dow shed -6.4%, while the Nasdaq lost -10.5%. The 2-year Treasury note, which began the month yielding 3.49%, climbed to a 15-year high of 4.34% in the final week of September, before rallying a bit into quarter end. The 10-year note opened the month at 3.19% and reached 3.94%, the highest since 2008, before finding its footing late in the month.

There are a number of contributing factors to the huge increase in bond yields last month; the most dominant is that Fed officials not only raised the overnight target rate by 75 basis points for the third straight time in September, but also indicated through the updated “dot plot” that they intend to hike rates further and keep them elevated for longer. By increasing the target rate 300 basis points since March, the Fed has tightened monetary policy faster than at any point in forty years. This has contributed to the strongest dollar in more than two decades, which makes U.S. imports cheaper and exports more expensive, and has a profound negative effect on the profits of U.S. multinational companies.

But the more severe damage is happening overseas. With the global commodities markets priced in dollars, nations that import oil and natural gas will lose value in the exchange and effectively pay more. In Europe, where the war in Ukraine has already created a severe natural gas shortage, this is a disaster. The inflation rate in August was +10.1% in the EU and +9.9% in the U.K., and as winter approaches, energy prices are expected to rise further. The ECB hiked by 75 bps in September, the biggest single increase in its history, and signaled another 75 ahead for October. The September hike brought the ECB overnight rate from 0.00% to 0.75%. Clearly, they still have a long way to go, but they’re walking a fine line. Rate increases are designed to slow demand, and in doing so will eventually bring down inflation. However, the EU is already very close to recession. The U.K and China may already be in recession, and the U.S. is expected to enter recession at some point next year.

Foreign nations are hiking rates at an unprecedented pace and thereby ensuring a deeper recession . . . but there’s little choice. They need to keep their currency from weakening further and try to bring inflation down as best they can. Here in the U.S., the headline

consumer price index rose +0.1% in August, above the expected -0.1% decline and following an *unchanged* reading in July. On the surface, it wasn’t a terrible number, but almost all of the moderation was the result of the decline in gas prices. The majority of the CPI basket of goods continues to rise in price. On a year-over-year basis, CPI increased at an +8.3% pace, down from +8.5%, but above the +8.0% forecast. Unfortunately, it was much worse when food and energy prices were excluded. Core CPI was up +0.6% in August, doubling both the median forecast and the July increase. On an annual basis, the rate of core consumer inflation actually rose from +5.9% to +6.3%. If there were a single report to blame for the September spike in yields and the corresponding resolve of Fed officials to drive inflation lower, *this was it*.

On the labor side, the August employment report was still too strong. Nonfarm payrolls climbed by +315k in August and 5.8 million over the previous 12 months, bringing total payrolls back above the pre-pandemic high point, *although leisure and hospitality payrolls remain 1.2 million short of the February 2020 count*. This suggests that wage pressures will continue to mount in the service sector. Average hourly earnings rose +0.3% in August and +5.2% year-over-year. This is down from the cycle high of 5.6% in March, but job openings still outnumber job seekers by almost a 2 to 1 count. Fed officials have indicated they would like to see some of this labor slack disappear. So far, businesses have been reluctant to actually let workers go, but eventually job postings should drop.

Fed officials and central banks around the world are all on the same page, and the likelihood of global recession has ramped up significantly. Demand is expected to slow in the coming months, which will further test the Fed’s resolve. For now, it’s all about bringing inflation down, and that means additional rates hikes are queued-up (and priced-in) for November and December.

Investment Officers' Certification

This report is prepared for the Denton County Transportation Authority (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the the PFIA.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Investment Officers

David Leininger

Interim Chief Financial Officer



Paul Cristina

Chief Executive Officer

Portfolio Overview

Portfolio Summary

	Prior 30 Jun-22	Current 30 Sep-22
Par Value	90,615,242.34	93,397,005.26
Original Cost	90,656,031.07	93,393,843.81
Book Value	90,627,533.70	93,378,245.98
Market Value	90,518,289.09	93,272,713.91
Accrued Interest	30,135.14	23,951.92
Book Value Plus Accrued	90,657,668.83	93,402,197.90
Market Value Plus Accrued	90,548,424.23	93,296,665.83
Net Unrealized Gain/Loss	(109,244.61)	(105,532.06)

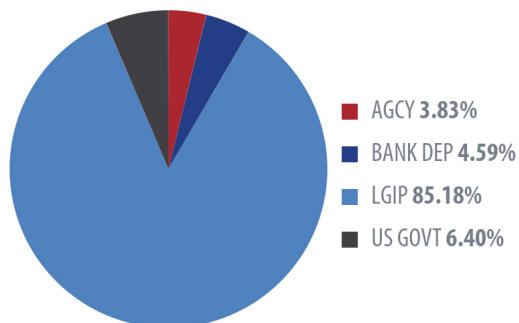
Income Summary

	1 Jul-22 to 30 Sep-22
Interest Income	\$411,561.55
Net Amortization/Accretion	(\$1,583.84)
Realized Gain/Loss	\$0.00
Net Income	\$409,977.70

Portfolio Characteristics

	Prior 30 Jun-22	Current 30 Sep-22
Yield to Maturity	0.921%	2.082%
Yield to Worst	0.921%	2.082%
Years to Final Maturity	0.06	0.04
Years to Effective Maturity	0.06	0.04
Duration	0.50	0.40

Asset Allocation

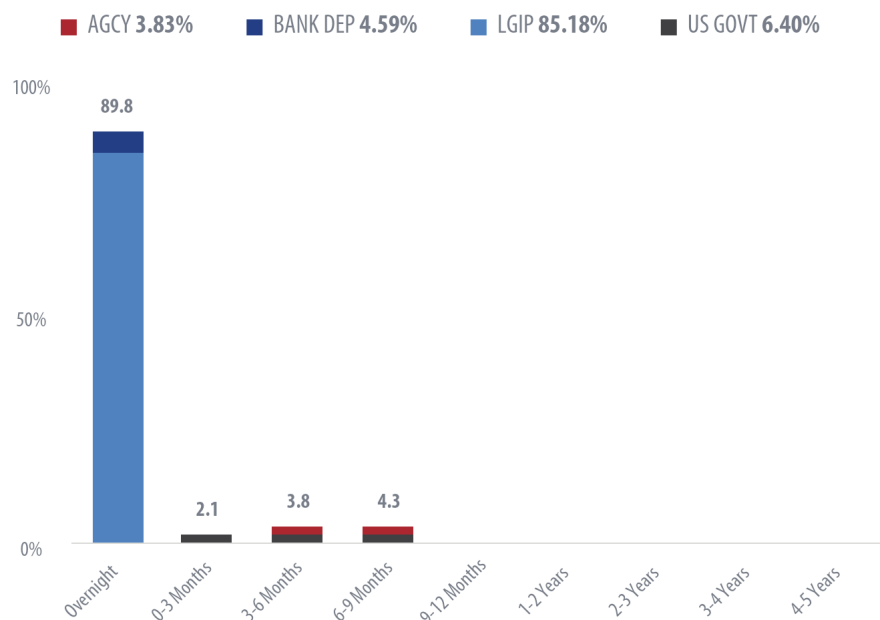


Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
Buy	2,000,000.00	(1,970,533.20)	0.00	(1,970,533.20)	0.00
Maturity	(4,000,000.00)	4,000,000.00	0.00	4,000,000.00	0.00
Coupon	0.00	0.00	36,143.75	36,143.75	0.00

Portfolio Overview

Maturity Distribution by Security Type



Top Ten Holdings

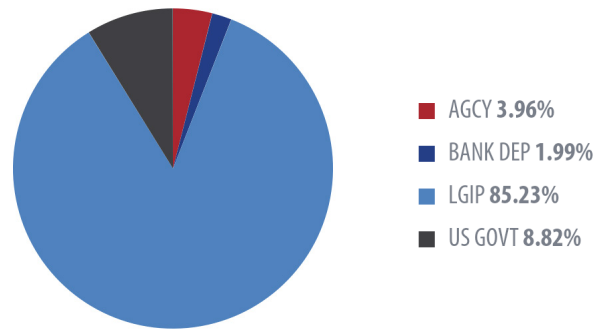
Issuer	Allocation
TEXSTAR	85.18%
United States Department of The Treasury	6.40%
WF	4.59%
Federal Farm Credit Banks Funding Corporation	2.14%
Federal National Mortgage Association	1.69%

Maturity Distribution by Security Type

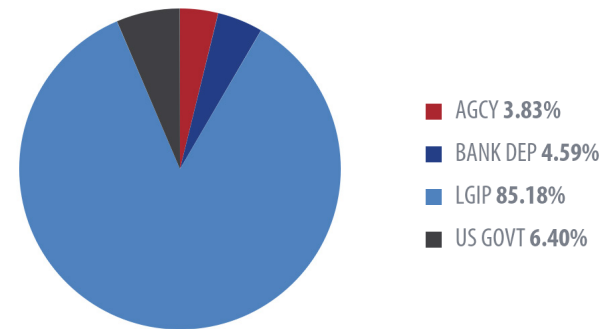
Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
AGCY	--	--	1,580,082.94	1,997,921.86	--	--	--	--	--	3,578,004.80
BANK DEP	4,285,287.33	--	--	--	--	--	--	--	--	4,285,287.33
LGIP	79,541,717.93	--	--	--	--	--	--	--	--	79,541,717.93
US GOVT	--	2,003,150.54	1,982,092.00	1,987,993.37	--	--	--	--	--	5,973,235.91
Total	83,827,005.26	2,003,150.54	3,562,174.94	3,985,915.24	--	--	--	--	--	93,378,245.98

Asset Allocation

Asset Allocation by Security Type as of
30-Jun-2022



Asset Allocation by Security Type as of
30-Sep-2022



Book Value Basis Security Distribution

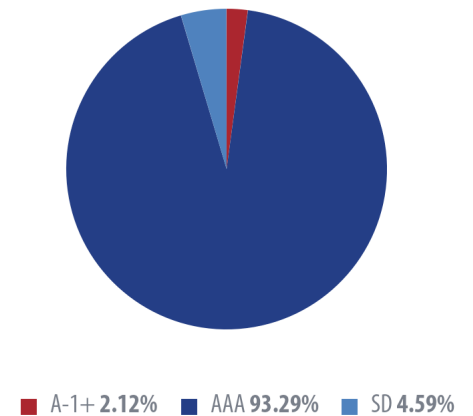
Security Type	Prior Balance 30-Jun-22	Prior Allocation 30-Jun-22	Change in Allocation	Current Balance 30-Sep-22	Current Allocation 30-Sep-22	Yield to Maturity
AGCY	3,585,713.88	3.96%	(0.12%)	3,578,004.80	3.83%	0.252%
BANK DEP	1,800,833.34	1.99%	2.60%	4,285,287.33	4.59%	0.063%
LGIP	77,244,409.00	85.23%	(0.05%)	79,541,717.93	85.18%	2.294%
US GOVT	7,996,577.47	8.82%	(2.43%)	5,973,235.91	6.40%	1.805%
Portfolio Total	90,627,533.70	100.00%		93,378,245.98	100.00%	2.082%

Credit Rating Summary

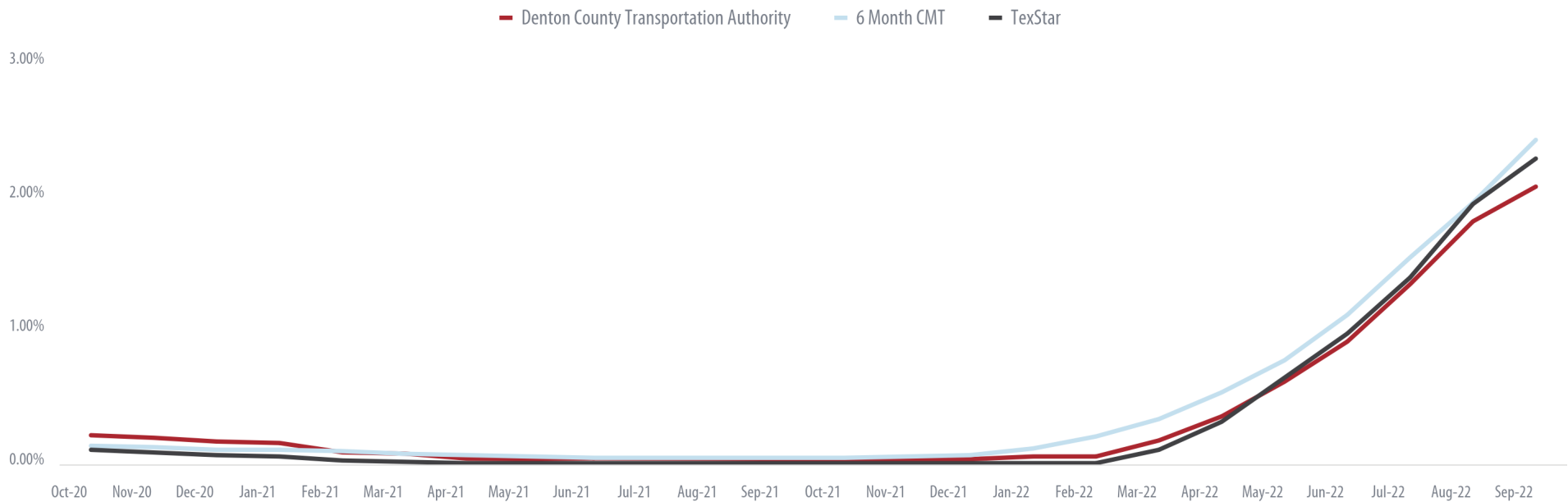
Rating Distribution

	Book Value	Portfolio Allocation
Secured Deposits (Insured or Collateralized)		
Demand Deposits	4,285,287.33	4.59%
Total Secured Deposits	4,285,287.33	4.59%
Local Government Investment Pools & Money Market Funds		
AAA	79,541,717.93	85.18%
Total Local Government Investment Pools & Money Market Funds	79,541,717.93	85.18%
Short Term Rating Distribution		
A-1+	1,982,092.00	2.12%
Total Short Term Rating Distribution	1,982,092.00	2.12%
Long Term Rating Distribution		
AAA	7,569,148.72	8.11%
Total Long Term Rating Distribution	7,569,148.72	8.11%
Portfolio Total	93,378,245.98	100.00%

Allocation by Rating



Benchmark Comparison



Yield Overview

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Denton County Transportation Authority	0.22	0.20	0.17	0.16	0.09	0.08	0.04	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.06	0.06	0.18	0.36	0.62	0.92	1.35	1.82	2.08
6 Month CMT	0.14	0.13	0.11	0.11	0.10	0.08	0.07	0.06	0.05	0.05	0.05	0.05	0.05	0.06	0.07	0.12	0.21	0.34	0.54	0.78	1.12	1.55	1.96	2.43
TexStar	0.11	0.09	0.07	0.06	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.11	0.32	0.65	0.98	1.40	1.95	2.29

Fund Overview

Fund Name	Prior Book Value	Prior Market Value	Changes to Market Value	Current Book Value	Current Market Value	Net Income	Days to Final Mty	YTM	YTW
2011 Bond Fund	678,248.35	678,248.35	(2,756.14)	675,492.21	675,492.21	682.72	1	0.400%	0.400%
Additional Reserve Fund	1,275,315.60	1,275,315.60	98,466.06	1,373,781.66	1,373,781.66	6,250.11	1	2.294%	2.294%
Bond Fund	799,887.00	799,887.00	445,676.16	1,245,563.16	1,245,563.16	5,676.16	1	2.294%	2.294%
Operating Fund	1,122,584.99	1,122,584.99	2,487,210.13	3,609,795.12	3,609,795.12	0.00	1	0.000%	0.000%
Reserve Fund	11,863,749.16	11,785,227.03	19,485.19	11,880,906.41	11,804,712.22	37,158.78	69	1.467%	1.467%
Sales Tax Fund	74,887,748.60	74,857,026.12	(293,656.58)	74,592,707.41	74,563,369.54	360,209.94	9	2.289%	2.289%
Total	90,627,533.70	90,518,289.09	2,754,424.82	93,378,245.98	93,272,713.91	409,977.70	16	2.082%	2.082%

Detail of Security Holdings

CUSIP	Settle Date	Security Type	Security Description	CPN	Maturity Date	Next Call Date	Call Type	Par Value	Purch Price	Original Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	Rating
2011 Bond Fund																		
WF-MANA		BANK DEP	Wells Fargo Managed Rate		09/30/22			675,492.21	100.000	675,492.21	675,492.21	100.000	675,492.21	1		0.400	0.400	SD
Total 2011 Bond Fund								675,492.21		675,492.21	675,492.21		675,492.21	1		0.400	0.400	
Additional Reserve Fund																		
TEXSTAR		LGIP	TexSTAR		09/30/22			1,373,781.66	100.000	1,373,781.66	1,373,781.66	100.000	1,373,781.66	1		2.294	2.294	AAA
Total Additional Reserve Fund								1,373,781.66		1,373,781.66	1,373,781.66		1,373,781.66	1		2.294	2.294	
Bond Fund																		
TEXSTAR		LGIP	TexSTAR		09/30/22			1,245,563.16	100.000	1,245,563.16	1,245,563.16	100.000	1,245,563.16	1		2.294	2.294	AAA
Total Bond Fund								1,245,563.16		1,245,563.16	1,245,563.16		1,245,563.16	1		2.294	2.294	
Operating Fund																		
WF-SWEEP		BANK DEP	Wells Fargo Sweep		09/30/22			3,609,795.12	100.000	3,609,795.12	3,609,795.12	100.000	3,609,795.12	1		0.000	0.000	SD
Total Operating Fund								3,609,795.12		3,609,795.12	3,609,795.12		3,609,795.12	1		0.000	0.000	
Reserve Fund																		
TEXSTAR		LGIP	TexSTAR		09/30/22			6,299,751.07	100.000	6,299,751.07	6,299,751.07	100.000	6,299,751.07	1		2.294	2.294	AAA
912828M80	03/16/22	US GOVT	UNITED STATES TREASURY	2.000	11/30/22			2,000,000.00	100.680	2,013,593.75	2,003,150.54	99.781	1,995,625.00	61		1.034	1.034	AAA
3135G0T94	10/14/21	AGCY	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.375	01/19/23			1,570,000.00	102.713	1,612,594.10	1,580,082.94	99.600	1,563,712.15	111		0.224	0.224	AAA
3133EMH96	06/25/21	AGCY	FEDERAL FARM CREDIT BANKS FUNDING CORP	0.125	06/14/23			2,000,000.00	99.709	1,994,180.00	1,997,921.86	97.281	1,945,624.00	257		0.273	0.273	AAA
Total Reserve Fund								11,869,751.07		11,920,118.92	11,880,906.41		11,804,712.22	69		1.467	1.467	
Sales Tax Fund																		
TEXSTAR		LGIP	TexSTAR		09/30/22			70,622,622.04	100.000	70,622,622.04	70,622,622.04	100.000	70,622,622.04	1		2.294	2.294	AAA
912796XS3	07/22/22	US GOVT	UNITED STATES TREASURY	0.000	01/19/23			2,000,000.00	98.527	1,970,533.20	1,982,092.00	98.990	1,979,810.00	111		3.016	3.016	A-1+
912828ZH6	03/16/22	US GOVT	UNITED STATES TREASURY	0.250	04/15/23			2,000,000.00	98.797	1,975,937.50	1,987,993.37	98.047	1,960,937.50	197		1.374	1.374	AAA
Total Sales Tax Fund								74,622,622.04		74,569,092.74	74,592,707.41		74,563,369.54	9		2.289	2.289	

Detail of Security Holdings

CUSIP	Settle Date	Security Type	Security Description	CPN	Maturity Date	Next Call Date	Call Type	Par Value	Purch Price	Original Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW	Rating
Grand Total								93,397,005.26		93,393,843.81	93,378,245.98		93,272,713.91	16		2.082	2.082	

Earned Income

CUSIP	Security Type	Security Description	Beginning Accrued	Interest Earned	Interest Rec'd/ Sold/Matured	Interest Purchased	Ending Accrued	Disc Accr/Prem Amort	Net Realized Gain/Loss	Net Income
2011 Bond Fund										
WF-MANA	BANK DEP	Wells Fargo Managed Rate 0.0 09/30/2022	0.00	682.72	682.72	0.00	0.00	0.00	0.00	682.72
Total 2011 Bond Fund			0.00	682.72	682.72	0.00	0.00	0.00	0.00	682.72
Additional Reserve Fund										
TEXSTAR	LGIP	TexSTAR 0.0 09/30/2022	0.00	6,250.11	6,250.11	0.00	0.00	0.00	0.00	6,250.11
Total Additional Reserve Fund			0.00	6,250.11	6,250.11	0.00	0.00	0.00	0.00	6,250.11
Bond Fund										
TEXSTAR	LGIP	TexSTAR 0.0 09/30/2022	0.00	5,676.16	5,676.16	0.00	0.00	0.00	0.00	5,676.16
Total Bond Fund			0.00	5,676.16	5,676.16	0.00	0.00	0.00	0.00	5,676.16
Operating Fund										
WF-SWEEP	BANK DEP	Wells Fargo Sweep 0.0 09/30/2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Operating Fund			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reserve Fund										
TEXSTAR	LGIP	TexSTAR 0.0 09/30/2022	0.00	29,697.17	29,697.17	0.00	0.00	0.00	0.00	29,697.17
912828M80	US GOVT	UNITED STATES TREASURY 2.0 11/30/2022	3,387.98	10,054.64	0.00	0.00	13,442.62	(4,830.83)	0.00	5,223.81
3135G0T94	AGCY	FEDERAL NATIONAL MORTGAGE ASSOCIATION 2.375 01/19/2023	16,779.38	9,321.88	18,643.75	0.00	7,457.50	(8,452.28)	0.00	869.59
3133EMH96	AGCY	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.125 06/14/2023	118.06	625.00	0.00	0.00	743.06	743.20	0.00	1,368.20
Total Reserve Fund			20,285.41	49,698.69	48,340.92	0.00	21,643.18	(12,539.91)	0.00	37,158.78
Sales Tax Fund										
912796S42	US GOVT	UNITED STATES TREASURY 0.0 07/21/2022	0.00	0.00	0.00	0.00	0.00	385.00	0.00	385.00
912828L57	US GOVT	UNITED STATES TREASURY 1.75 09/30/2022	8,797.81	8,702.19	17,500.00	0.00	0.00	(6,559.34)	0.00	2,142.85
TEXSTAR	LGIP	TexSTAR 0.0 09/30/2022	0.00	339,294.85	339,294.85	0.00	0.00	0.00	0.00	339,294.85
912796XS3	US GOVT	UNITED STATES TREASURY 0.0 01/19/2023	0.00	0.00	0.00	0.00	0.00	11,558.80	0.00	11,558.80
912828ZH6	US GOVT	UNITED STATES TREASURY 0.25 04/15/2023	1,051.91	1,256.83	0.00	0.00	2,308.74	5,571.61	0.00	6,828.44

Earned Income

CUSIP	Security Type	Security Description	Beginning Accrued	Interest Earned	Interest Rec'd/ Sold/Matured	Interest Purchased	Ending Accrued	Disc Accr/Prem Amort	Net Realized Gain/Loss	Net Income
Total Sales Tax Fund			9,849.73	349,253.87	356,794.85	0.00	2,308.74	10,956.07	0.00	360,209.94
Grand Total			30,135.14	411,561.55	417,744.76	0.00	23,951.92	(1,583.84)	0.00	409,977.70

Investment Transactions

CUSIP	Trade Date	Settle Date	Security Type	Security Description	Coupon	Maturity Date	Call Date	Par Value	Price	Principal Amount	Interest Purchased/Received	Total Amount	Realized Gain/Loss	YTM	YTW
Reserve Fund															
Coupon															
3135G0T94	07/19/22	07/19/22	AGCY	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.375	01/19/23		0.00		0.00	18,643.75	18,643.75	0.00	--	--
Total Coupon								0.00		0.00	18,643.75	18,643.75	0.00		
Sales Tax Fund															
Buy															
912796XS3	07/21/22	07/22/22	US GOVT	UNITED STATES TREASURY	0.000	01/19/23		2,000,000.00	98.527	1,970,533.20	0.00	1,970,533.20	0.00	3.016	3.016
Total Buy								2,000,000.00		1,970,533.20	0.00	1,970,533.20	0.00		
Coupon															
912828L57	09/30/22	09/30/22	US GOVT	UNITED STATES TREASURY	1.750	09/30/22		0.00		0.00	17,500.00	17,500.00	0.00	--	--
Total Coupon								0.00		0.00	17,500.00	17,500.00	0.00		
Maturity															
912796S42	07/21/22	07/21/22	US GOVT	UNITED STATES TREASURY	0.000	07/21/22		(2,000,000.00)	100.000	2,000,000.00	0.00	2,000,000.00	0.00	--	--
912828L57	09/30/22	09/30/22	US GOVT	UNITED STATES TREASURY	1.750	09/30/22		(2,000,000.00)	100.000	2,000,000.00	0.00	2,000,000.00	0.00	--	--
Total Maturity								(4,000,000.00)		4,000,000.00	0.00	4,000,000.00	0.00		

Investment Transactions Totals

Transaction Type	Quantity	Principal Amount	Interest	Total Amount	Realized G/L	YTM	YTW
Total Buy	2,000,000.00	(1,970,533.20)	0.00	(1,970,533.20)	0.00	3.016	3.016
Total Maturity	(4,000,000.00)	4,000,000.00	0.00	4,000,000.00	0.00	0.875	0.875
Total Coupon	0.00	0.00	36,143.75	36,143.75	0.00		

Amortization and Accretion

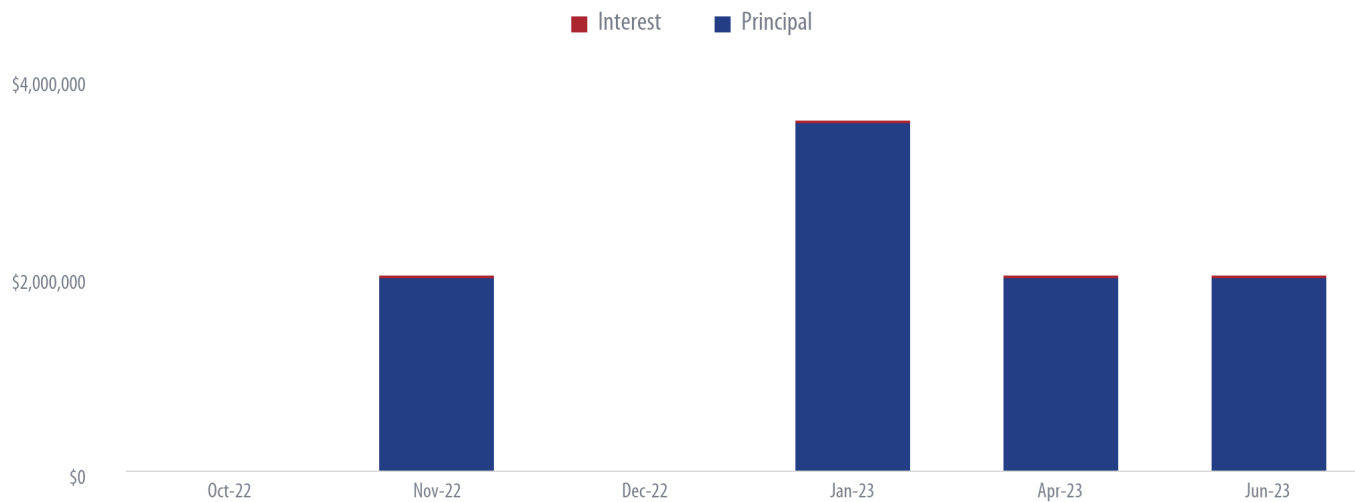
CUSIP	Settle Date	Security Type	Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/Premium	Ending Book Value
Reserve Fund										
912828M80	03/16/22	US GOVT	UNITED STATES TREASURY 2.0 11/30/2022	2,000,000.00	100.680	2,013,593.75	(4,830.83)	(10,443.21)	3,150.54	2,003,150.54
3135G0T94	10/14/21	AGCY	FEDERAL NATIONAL MORTGAGE ASSOCIATION 2.375 01/19/2023	1,570,000.00	102.713	1,612,594.10	(8,452.28)	(32,511.16)	10,082.94	1,580,082.94
3133EMH96	06/25/21	AGCY	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.125 06/14/2023	2,000,000.00	99.709	1,994,180.00	743.20	3,741.86	(2,078.14)	1,997,921.86
Total Reserve Fund				5,570,000.00		5,620,367.85	(12,539.91)	(39,212.51)	11,155.34	5,581,155.34
Sales Tax Fund										
912796S42	01/25/22	US GOVT	UNITED STATES TREASURY 0.0 07/21/2022	0.00	0.000	0.00	385.00	0.00	0.00	0.00
912828L57	01/25/22	US GOVT	UNITED STATES TREASURY 1.75 09/30/2022	0.00	0.000	0.00	(6,559.34)	0.00	0.00	0.00
912796XS3	07/22/22	US GOVT	UNITED STATES TREASURY 0.0 01/19/2023	2,000,000.00	98.527	1,970,533.20	11,558.80	11,558.80	(17,908.00)	1,982,092.00
912828ZH6	03/16/22	US GOVT	UNITED STATES TREASURY 0.25 04/15/2023	2,000,000.00	98.797	1,975,937.50	5,571.61	12,055.87	(12,006.63)	1,987,993.37
Total Sales Tax Fund				4,000,000.00		3,946,470.70	10,956.07	23,614.67	(29,914.63)	3,970,085.37
Grand Total				9,570,000.00		9,566,838.55	(1,583.84)	(15,597.84)	(18,759.28)	9,551,240.72

Projected Cash Flows

CUSIP	Security Description	Post Date	Interest	Principal	Total Amount
Reserve Fund					
912828M80	UNITED STATES TREASURY 2.0 11/30/2022	11/30/22	20,000.00		20,000.00
912828M80	UNITED STATES TREASURY 2.0 11/30/2022	11/30/22		2,000,000.00	2,000,000.00
3133EMH96	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.125 06/14/2023	12/14/22	1,250.00		1,250.00
3135G0T94	FEDERAL NATIONAL MORTGAGE ASSOCIATION 2.375 01/19/2023	01/19/23	18,643.75		18,643.75
3135G0T94	FEDERAL NATIONAL MORTGAGE ASSOCIATION 2.375 01/19/2023	01/19/23		1,570,000.00	1,570,000.00
3133EMH96	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.125 06/14/2023	06/14/23	1,250.00		1,250.00
3133EMH96	FEDERAL FARM CREDIT BANKS FUNDING CORP 0.125 06/14/2023	06/14/23		2,000,000.00	2,000,000.00
Sales Tax Fund					
912828ZH6	UNITED STATES TREASURY 0.25 04/15/2023	10/17/22	2,500.00		2,500.00
912796XS3	UNITED STATES TREASURY 0.0 01/19/2023	01/19/23		2,000,000.00	2,000,000.00
912828ZH6	UNITED STATES TREASURY 0.25 04/15/2023	04/17/23	2,500.00		2,500.00
912828ZH6	UNITED STATES TREASURY 0.25 04/15/2023	04/17/23		2,000,000.00	2,000,000.00
Grand Total			46,143.75	9,570,000.00	9,616,143.75

Projected Cash Flows Totals

Month and Year	Interest	Principal	Total Amount
October 2022	2,500.00		2,500.00
November 2022	20,000.00	2,000,000.00	2,020,000.00
December 2022	1,250.00		1,250.00
January 2023	18,643.75	3,570,000.00	3,588,643.75
April 2023	2,500.00	2,000,000.00	2,002,500.00
June 2023	1,250.00	2,000,000.00	2,001,250.00
Total	46,143.75	9,570,000.00	9,616,143.75



Disclosures & Disclaimers

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Board of Directors Memo

October 27, 2022

SUBJECT: Quarterly Grants Report Q4 FY2022

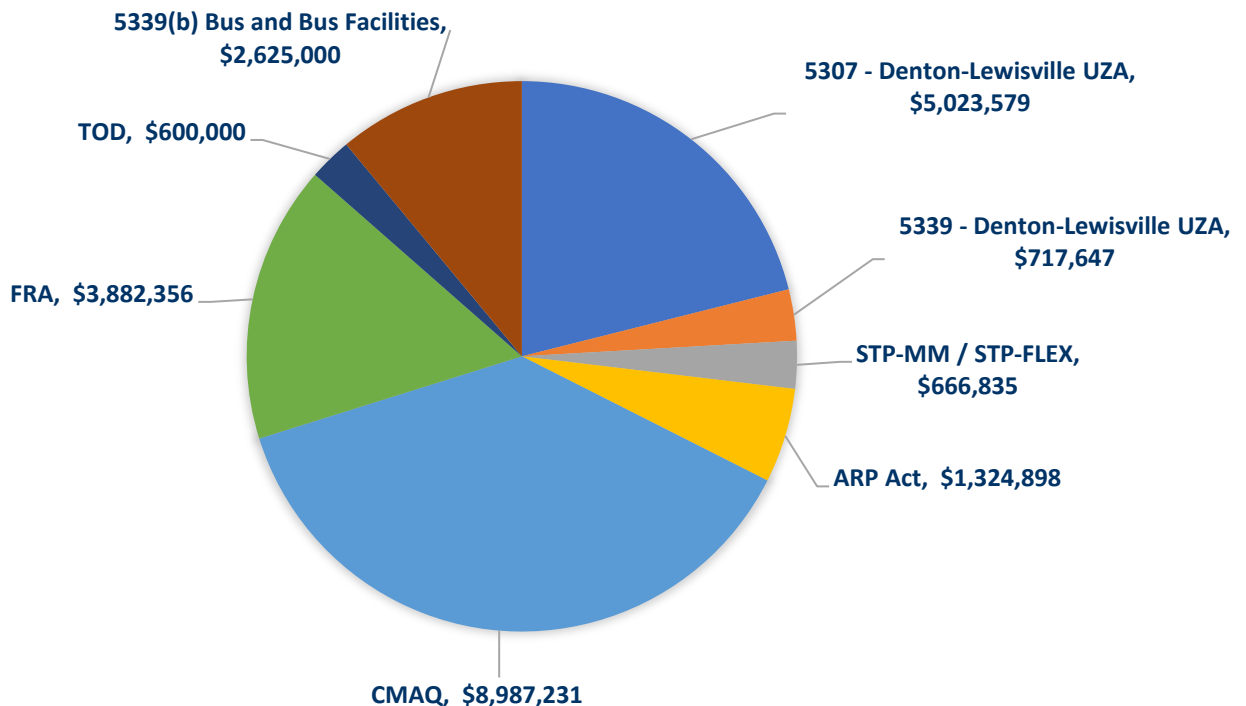
Recommendation

Staff recommends the Board approve the quarterly grants report for Q4 FY2022.

Background

DCTA currently has 12 open, fully executed grants that provide reimbursements for various capital projects, rail and bus preventive maintenance, operating assistance, and ADA paratransit service. The grant funding sources include Federal Transit Administration (FTA) and Federal Railroad Administration (FRA). The total grant balance was \$23.8 million as of 9/30/2022 as shown in the graph below. Of this total, \$4.4 million is obligated for Positive Train Control (PTC), \$5.7 million is obligated for the FY17-20 Program of Projects, \$1.3 million is obligated for the American Rescue Plan (ARP) Act, \$9.0 million is obligated for the Congestion, Mitigation & Quality (CMAQ) program, and \$2.6 million is obligated for the competitive Bus and Bus Facilities program.

GRANTS FUNDING BY TYPE AS OF 9/30/2022



Program	Q3 FY22 Balance	Q4 FY22 Balance	Grant Activity
Denton-Lewisville UZA (5307)	\$ 8,443,208	\$ 5,023,579	Operating Assistance, Fleet Replacement, Bus Preventive Maintenance, Safety & Security, ADA Paratransit
Bus and Bus Facilities (5339)	717,647	717,647	Fleet Replacement, Automated Fare Collection
STP-MM / STP-FLEX	764,659	666,835	PTC Implementation & Vanpool
ARP Act Relief Funding	4,344,407	1,324,898	Operating Assistance
Congestion Mitigation & Air Quality	8,987,231	8,987,231	Land Acquisition & Construction (Old Town)
Consolidated Rail Infrastructure and Safety Improvements (CRISI) (FRA)	3,882,356	3,882,356	PTC Enhancements
Transit Oriented Development	600,000	600,000	Kansas City Southern (KCS) Rail Corridor study
Bus and Bus Facilities (5339b)	2,625,000	2,625,000	Bus Lite Maintenance Facility
Total	\$ 30,364,508	\$ 23,827,546	

Pending Funding and Other Grant Activity

This quarter, DCTA fully expended FY18 Section 5307 formula funds. DCTA has three formula fund grant agreements in que for execution in late 2023 when FTA's grant management platform reopens for the new fiscal year.

The table below provides information on all pending grants that have not yet been fully executed.

Program	Amount	Grant Activity	Funding Status
FY20 5339 Formula	538,298	Swiftly Transit Platform (formerly Fleet Replacement)	Development; pending TIP modification by NCTCOG
FY21 POP Formula	9,008,301	Operating Assistance, ADA Paratransit, Preventive	Pending application approval from FTA
FY22 POP Formula	11,875,489	Operating Assistance, ADA Paratransit, Preventive	Development; pending TIP modification by NCTCOG
NCTCOG Regional	200,000	Bus Preventive Maintenance	Pending application approval from FTA
NCTCOG Regional	691,600	Vanpool Program	Pending TIP approval
TOTAL	\$ 22,313,688		

Previous Board Activity & Action

There has been no previous Board activity on this item.

Identified Need

Provides the Board of Directors a quarterly status on grant balances and significant grant activity.

Financial Impact

This item is included for informational purposes only; there is no financial impact associated with this item. Grant revenues were adopted as part of the FY2022 budget.



Submitted By:

A handwritten signature in blue ink that reads "Whitney Traylor".

Whitney Traylor, Grants Manager

Final Review:

A handwritten signature in blue ink that reads "Athena Forrester".

Athena Forrester

Assistant Vice President of Regulatory Compliance

Board of Directors Memo

October 27, 2022

SUBJECT: Discuss and Consider Approval of a Task Order with Accenture, LLC for Finance Staff Augmentation for the period December 1, 2022 – January 31, 2023.

Recommendation

Staff recommends the Board approve authority for expenditure not to exceed \$195,000 to execute Task Order with Accenture, LLC for Interim Staffing Support Services for the Finance Department, as defined in the briefing item.

Background

DCTA staff backfilled the Accounting Manager position as of September 6, 2022 following departure of several members of the Finance staff.

In the September 22, 2022, Board Meeting, the Board of Directors approved a task order with Accenture to continue Finance staff augmentation and support by Accenture through November 30, 2022, to enable adequate time for the agency's new Accounting Manager to be trained on duties of the role.

On October 14, a member of the Accounting team submitted her resignation, and her last day will be October 28, 2022. In addition to the Accenture support approved in the September meeting, additional support is necessary to provide interim services for that position until a new Accountant II can be hired. The job is currently posted for backfill. In addition, several qualified candidates have been identified for the Chief Financial Officer position and interviews will begin as soon as possible.

This budget, along with budget previously approved in September, will enable up to full-time Accenture support of the Finance staff through January 31, 2023. However, Accenture effort will be billed on an hourly basis, not to exceed \$195,000, as needed and directed by the DCTA Accounting Manager and the new Chief Finance Officer, when hired.

Previous Board Activity

March 2022 – The Board of Directors received a briefing and authorized the Interim CEO to enter into agreements for augmentation of staff and employees in the Finance, Accounting, and Budget Departments.

April 2022 – The Board of Directors received a briefing and authorized the Interim CEO to ratify a Task Order with Accenture, LLC for Human Resources Continuity Management and enter into agreements for staff support services in the Human Resources and Finance Departments.

July 2022 – The Board of Directors received a briefing and authorized the Interim CEO to enter into agreements for staff support services in the Human Resources and Finance Departments.

September 2022 – The Board of Directors authorized the CEO to enter into agreement for staff support services for the Finance Department.

Identified Need

DCTA requires authority for expenditure not to exceed \$195,000 for Interim Staffing Support Services for the Finance Department.

Financial Impact

Funding for this Task Order will be accommodated by funds budgeted in FY 2023 for the Controller / AVP Finance position, which is budgeted at \$189,219 and is currently vacant, as well as unused funds for other positions that are anticipated to be vacant in October and November.

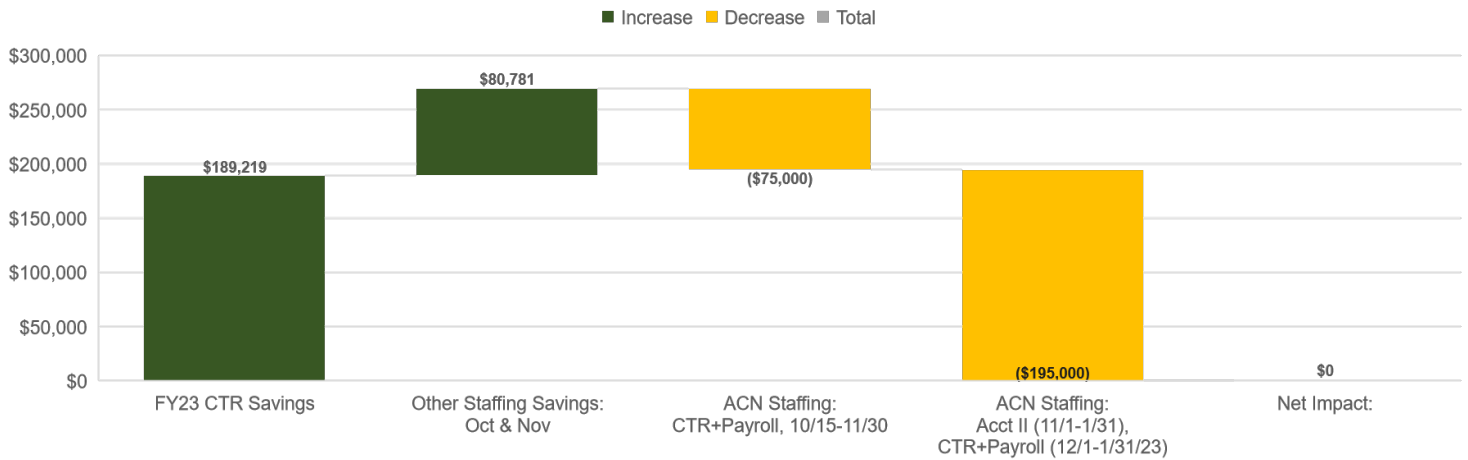
Staff is evaluating the opportunity to combine duties in the Finance Department that would enable the Controller position to be re-allocated elsewhere in the agency. It is anticipated the new Chief Financial Officer will make the final determination on that opportunity and budget can be re-allocated at that time since the budget for the Controller is consumed by this augmentation need.

The other positions listed below are anticipated to be filled in FY 23 but present savings in October and November that can be used to offset this augmentation need.

The table and waterfall chart below depict these offsetting costs.

	Status
Chief Financial Officer	Screening in Process. Assumes December start.
Chief Operating Officer	Anticipate posting in week of October 24.
Compliance Specialist	Candidate Offer Accepted. Anticipate October 31 Start.
Director Safety & Compliance	Candidate Offer Accepted. Anticipate October 31 Start.
Director Marketing & Comm.	Interviews Scheduled Nov 1. Anticipate late Nov Start.
Accountant II	Job Posted.
Procurement Specialist	Position Under Review. Anticipate vacant thru November
Budgeted Total (Approximate)	\$123,000

FY23 Finance & Accounting Augmentation & Other Staff Savings (Projected Not-to-Exceed)



Submitted By: 
Paul A. Cristina, CEO



Board of Directors Memo

October 27, 2022

SUBJECT: Discuss and Consider Approval for the 88th Texas State Legislative Agenda

Recommendation

Staff recommends the Board approve the 88th Texas Legislative Agenda as presented.

Background

The 88th Session of the Texas Legislature will convene on January 10, 2023. In advance of the legislative session, DCTA staff and consultants have met with members of the Board and leadership staff to discuss legislative initiatives and priorities for the upcoming session.

Previous Board Activity

- August 2022 – DCTA Board of Directors authorized the Interim Chief Executive Officer to Award and Execute a Contract with Capitol-Insights & Bird Advocacy beginning on or about September 1, 2022, for State Legislative Consulting Services.
- September 2022 – DCTA Board of Directors received a briefing introducing the State Legislative Consultant team, discussion of the outreach strategy for the DCTA State Legislative delegation, and the upcoming 88th State Legislative Session.

Identified Need

The purpose of this item is to discuss, finalize, and approve the DCTA Board of Directors priorities for the 88th Texas Legislative agenda prior to the beginning of bill prefiling on November 14, 2022.

Financial Impact

Not applicable.

Exhibits

None.

Submitted By: _____

Brittney Farr, Senior Director
Engagement and Administration



Board of Directors Memo

October 27, 2022

SUBJECT: Discuss Update on January 2023 Fare and Service Change Public Messaging and Implementation Plan

Recommendation

This is a discussion item only. No Board action is required.

Background

The Denton County Transportation Authority (DCTA) Board of Directors approved a fare and service change in the July Board meeting as depicted in the attached Exhibit.

The purpose of this briefing item is to provide the Board of Directors with an update on the implementation of the service change including:

- Work accomplished to date
- Advertising and Public Information Campaign
- Fare media design
- Passenger Information Materials

Previous Board Activity

July 2022 – The Board of Directors approved Fare and Service Change to take effect on January 1, 2023.

Identified Need

None.

Financial Impact

None.

Exhibit

EX01 – Service Change Summary

Submitted by:

Brittney Farr, Senior Director
Engagement and Administration

Approved by:

Paul A. Cristina, CEO

January 1, 2023 Service Change Summary

Staff recommends the Board authorize implementation of

- Revised GoZone fare schedule of: \$1.50 base; \$0.50 per mile for trips within Denton Zone greater than 4 miles only; \$5 fare cap applicable in Denton only;
- Eliminate GoZone passes unless riders are eligible for existing discount or non-profit pass purchase;
- Revised Connect service shall be Routes 3, 6, and 7 as depicted in 'Alternative E as proposed'.
- Implementation of the above will occur on Monday, January 1, 2023

	Alternative E	Alternative E as Approved
Route 2	Discontinue weekday service after 5 PM and Saturday service	Eliminated
Route 3	Discontinue weekday service after 5 PM and Saturday service	Discontinue weekday service after 5 PM with accommodations to close of business day, and Saturday service
Route 4	Eliminated	Eliminated
Route 5	Eliminated	Eliminated
Route 6	Extend service to 7:45 PM on weekdays, Increase peak frequency on weekdays to 20 minutes from 8-10 AM and 4-7:45 PM	Extend service to 7:45 PM on weekdays, Increase peak frequency on weekdays to 20 minutes from 8-10 AM and 4-7:45 PM
Route 7	Increase weekday frequency to 20 minutes and Saturday frequency to 45 minutes	Increase weekday frequency to 20 minutes and Saturday frequency to 45 minutes



Board of Directors Memo

October 27, 2022

SUBJECT: Discuss Opportunities to Optimize Multimodal Services and Key Performance Indicator Reporting

Recommendation

This is a discussion item only. No Board action is required.

Background

The one-year anniversary of the GoZone service launch on September 7, 2022, and full adoption of the platform by users in Denton County Transportation Authority (DCTA) member cities has enabled staff to begin developing observations regarding how the platform is being utilized.

This briefing item will present observations from the Denton service area and enable discussion about potential opportunities to optimize the system.

In addition, the briefing item will highlight some of the key performance indicators being developed and tracked for the fixed route bus service.

Previous Board Activity

None.

Identified Need

None.

Financial Impact

None.

Exhibit

None.

Submitted by:

Paul A. Cristina, CEO



Board of Directors Memo

October 27, 2022

SUBJECT: Monthly Sales Tax Receipts

Recommendation

This item is presented for informational purposes only. No action is required.

Background

Sales tax represents the single largest source of revenue for DCTA at 50.93% of Fiscal Year (FY) 2022 budgeted revenues. The sales tax budget for FY22 was \$34,191,233. Because of its importance in funding of DCTA's ongoing operations, the Board adopted a Budget Contingency Plan that outlines the Agency's response when declines in sales tax hit a specific target.

In April, the Board approved a budget revision, capturing the additional sales tax revenue the agency had received through the month of April. The additional \$1,527,336 was accounted for in the April 2022 financials.

For the month of October, receipts were favorable compared to budget.

- Sales tax for sales generated in the month of August and received in October was \$3,448,128.
- Compared to the same month last year, sales tax receipts are \$569,874 or 19.80% higher.
- This represents an increase of 35.99% or \$912,539 compared to the revised budget for the month.
- Member city collections for the month compared to prior year are as follows:
 - City of Lewisville up 10.68%
 - City of Denton up 29.53%
 - City of Highland Village up 11.89%

Based upon year to date receipts the revised estimate for total year-end sales tax receipts is \$38,121,812 and this estimate was used in the FY 23 budget presentation materials for the Board of Directors.

Previous Board Activity & Action

There has been no previous Board activity on this item.

Identified Need

Provides the Board of Directors a monthly status on sales tax collections.

Financial Impact

This item is included for informational purposes only; there is no financial impact associated with this informational item.

Exhibits

Exhibit 1: FY22 Monthly Sales Tax Report

Submitted By: Amanda Riddle
Amanda Riddle, Senior Manager of Budget

Final Review: David Leininger
David Leininger
Interim Chief Financial Officer

DENTON COUNTY TRANSPORTATION AUTHORITY

SALES TAX REPORT
BUDGET TO ACTUAL AND PREVIOUS YEAR COMPARISON

Sales Generated in Month of:	Received in Month of:	2021-2022 Adopted Budget	2021-2022 Revised Budget	2021-2022 Year Actual	Variance Actual to Original Budget	CY Actual to CY Original Budget % Variance ^(A)	Variance Actual to Revised Budget	CY Actual to CY Revised Budget % Variance ^(B)	2020-2021 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,032,911	\$ 3,032,911	\$ 2,925,241	\$ (107,670)	-3.55%	\$ (107,670)	-3.55%	\$ 2,944,573	\$ (19,333)	-0.66%
November	January	\$ 2,696,417	\$ 2,696,417	\$ 3,097,630	\$ 401,213	14.88%	\$ 401,213	14.88%	\$ 2,617,881	\$ 479,749	18.33%
December	February	\$ 3,457,647	\$ 3,457,647	\$ 3,771,295	\$ 313,648	9.07%	\$ 313,648	9.07%	\$ 3,356,939	\$ 414,356	12.34%
January	March	\$ 2,365,559	\$ 2,429,458	\$ 2,853,426	\$ 487,867	20.62%	\$ 423,968	17.45%	\$ 2,296,659	\$ 556,767	24.24%
February	April	\$ 2,143,386	\$ 2,207,285	\$ 2,703,463	\$ 560,077	26.13%	\$ 496,178	22.48%	\$ 2,080,957	\$ 622,506	29.91%
March	May	\$ 3,470,214	\$ 3,534,113	\$ 3,486,379	\$ 16,165	0.47%	\$ (47,734)	-1.35%	\$ 3,369,140	\$ 117,239	3.48%
April	June	\$ 2,567,236	\$ 4,158,471	\$ 3,178,508	\$ 611,272	23.81%	\$ (979,963)	-23.57%	\$ 2,839,395	\$ 339,113	11.94%
May	July	\$ 2,258,937	\$ 2,322,836	\$ 3,106,755	\$ 847,818	37.53%	\$ 783,919	33.75%	\$ 3,171,719	\$ (64,964)	-2.05%
June	August	\$ 2,663,784	\$ 2,727,683	\$ 3,403,413	\$ 739,629	27.77%	\$ 675,730	24.77%	\$ 3,583,080	\$ (179,667)	-5.01%
July	September	\$ 2,248,852	\$ 2,312,751	\$ 3,323,143	\$ 1,074,291	47.77%	\$ 1,010,392	43.69%	\$ 2,903,336	\$ 419,807	14.46%
August	October	\$ 2,471,690	\$ 2,535,589	\$ 3,448,128	\$ 976,438	39.50%	\$ 912,539	35.99%	\$ 2,878,254	\$ 569,874	19.80%
September	November	\$ 2,712,171	\$ 2,776,072			0.00%		0.00%	\$ 3,346,913		0.00%
YTD TOTAL		\$ 26,904,943	\$ 31,415,161	\$ 35,297,381	\$ 5,920,748	22.01%	\$ 3,882,220	12.36%	\$ 32,041,934	\$ 3,255,447	10.16%
FISCAL YEAR TOTAL		\$ 32,088,804	\$ 34,191,233						\$ 35,388,847		

^(A) Formula: YTD Variance Actual to Original Budget/YTD Original Budget^(B) Formula: YTD Variance Actual to Revised Budget/YTD Revised Budget

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 October 12, 2022

DENTON COUNTY TRANSPORTATION AUTHORITY

MEMBER CITIES SALES TAX REPORT
MONTH ALLOCATION IS RECEIVED FROM COMPTROLLER
PREVIOUS YEAR COMPARISON

CITY OF LEWISVILLE						CITY OF HIGHLAND VILLAGE					
Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance	Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,348,633	\$ 4,067,980	\$ 719,347	21.48%	October	December	\$ 341,390	\$ 409,602	\$ 68,213	19.98%
November	January	\$ 3,755,579	\$ 4,446,756	\$ 691,177	18.40%	November	January	\$ 354,573	\$ 444,066	\$ 89,493	25.24%
December	February	\$ 4,903,701	\$ 5,140,124	\$ 236,424	4.82%	December	February	\$ 503,020	\$ 597,222	\$ 94,202	18.73%
January	March	\$ 3,072,003	\$ 4,004,884	\$ 932,882	30.37%	January	March	\$ 320,412	\$ 355,997	\$ 35,584	11.11%
February	April	\$ 2,971,403	\$ 3,429,615	\$ 458,213	15.42%	February	April	\$ 288,219	\$ 336,599	\$ 48,380	16.79%
March	May	\$ 4,956,466	\$ 4,928,216	\$ (28,250)	-0.57%	March	May	\$ 436,049	\$ 447,417	\$ 11,368	2.61%
April	June	\$ 3,990,693	\$ 4,171,768	\$ 181,074	4.54%	April	June	\$ 353,678	\$ 409,168	\$ 55,490	15.69%
May	July	\$ 6,076,775	\$ 4,047,178	\$ (2,029,597)	-33.40%	May	July	\$ 371,973	\$ 418,702	\$ 46,729	12.56%
June	August	\$ 5,447,446	\$ 4,816,743	\$ (630,703)	-11.58%	June	August	\$ 449,307	\$ 478,937	\$ 29,631	6.59%
July	September	\$ 4,010,507	\$ 4,350,201	\$ 339,694	8.47%	July	September	\$ 395,735	\$ 431,309	\$ 35,574	8.99%
August	October	\$ 3,945,754	\$ 4,367,172	\$ 421,418	10.68%	August	October	\$ 370,264	\$ 414,305	\$ 44,041	11.89%
September	November	\$ 4,735,921			0.00%	September	November	\$ 412,047			0.00%
YTD TOTAL		\$ 46,478,958	\$ 47,770,638	\$ 1,291,680	2.78%	YTD TOTAL		\$ 4,184,619	\$ 4,743,323	\$ 558,704	13.35%
FISCAL YEAR TOTAL		\$ 51,214,879				FISCAL YEAR TOTAL		\$ 4,596,666			

CITY OF DENTON					
Sales Generated in Month of:	Received in Month of:	2020-2021 Year Actual	2021-2022 Year Actual	Variance Actual to Prior Year	CY Actual to PY Actual % Variance
October	December	\$ 3,174,573	\$ 3,676,801	\$ 502,228	15.82%
November	January	\$ 3,050,388	\$ 3,708,019	\$ 657,631	21.56%
December	February	\$ 4,149,443	\$ 5,123,779	\$ 974,336	23.48%
January	March	\$ 3,086,526	\$ 3,679,379	\$ 592,852	19.21%
February	April	\$ 2,606,494	\$ 3,844,879	\$ 1,238,385	47.51%
March	May	\$ 4,277,512	\$ 4,711,544	\$ 434,032	10.15%
April	June	\$ 3,557,513	\$ 4,248,744	\$ 691,231	19.43%
May	July	\$ 3,442,340	\$ 4,151,924	\$ 709,583	20.61%
June	August	\$ 4,173,943	\$ 4,114,811	\$ (59,132)	-1.42%
July	September	\$ 3,845,740	\$ 4,424,149	\$ 578,408	15.04%
August	October	\$ 3,749,030	\$ 4,855,931	\$ 1,106,901	29.53%
September	November	\$ 4,385,475			0.00%
YTD TOTAL		\$ 39,113,502	\$ 46,539,959	\$ 7,426,456	18.99%
FISCAL YEAR TOTAL		\$ 43,498,977			

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
Prepared By: Denton County Transportation Authority Finance Department
October 12, 2022

ALL TRANSIT AGENCIES
MONTHLY SALES AND USE TAX COMPARISON SUMMARY

Transit Agency	Current Rate	Net Payment This Period	Comparable Payment Prior Year	% Change	Payments YTD (Calendar)	Prior Year Payments YTD (Calendar)	% Change
Austin MTA	1.00%	\$ 31,548,094	\$ 26,666,546	18.30%	\$ 305,806,975	\$ 248,664,107	22.97%
Corpus Christi MTA	0.50%	\$ 3,192,811	\$ 2,901,007	10.05%	\$ 31,735,669	\$ 29,767,801	6.61%
Dallas MTA	1.00%	\$ 66,180,024	\$ 55,985,648	18.20%	\$ 652,000,690	\$ 565,601,881	15.27%
Denton CTA	0.50%	\$ 3,448,128	\$ 2,878,254	19.79%	\$ 32,372,140	\$ 29,097,361	11.25%
El Paso CTD	0.50%	\$ 5,174,705	\$ 4,424,901	16.94%	\$ 52,578,397	\$ 46,477,025	13.12%
Fort Worth MTA	0.50%	\$ 9,299,210	\$ 7,758,870	19.85%	\$ 89,324,349	\$ 75,627,666	18.11%
Houston MTA	1.00%	\$ 82,296,194	\$ 71,100,330	15.74%	\$ 815,915,442	\$ 702,657,516	16.11%
Laredo CTD	0.25%	\$ 919,497	\$ 776,351	18.43%	\$ 9,172,439	\$ 7,874,363	16.48%
San Antonio ATD	0.25%	\$ 7,549,225	\$ 6,445,653	17.12%	\$ 76,929,141	\$ 67,265,866	14.36%
San Antonio MTA	0.50%	\$ 16,818,260	\$ 14,304,930	17.56%	\$ 170,187,917	\$ 148,245,448	14.80%
TOTALS		\$ 226,426,148	\$ 193,242,492	17.17%	\$ 2,236,023,158	\$ 1,921,279,034	16.38%

Sources: Texas Comptroller of Public Accounts and DCTA Finance Department
 Prepared By: Denton County Transportation Authority Finance Department
 October 12, 2022



Board of Directors Memo

October 27, 2022

SUBJECT: Budget Information

Recommendation

This item is presented for informational purposes only. No action is required. The Financial Management Policies authorize the CEO to approve budget transfers between expense categories and departments, not to exceed 5% of the total annual operating budget.

Background

The DCTA budget is prepared months in advance of the start of the fiscal year and not all expenses can be anticipated at the time of the budget preparation. Therefore, during the fiscal year, it may become necessary to reforecast the annual expenses and complete transfers between budget categories and/or departments based on changing needs of the agency. Revising the budget for material changes will provide a better forecasting and management tool for the Board and DCTA staff for future periods.

BUDGET TRANSFER / REVISION REQUEST				
TRANSACTION TYPE:		Transfer <input checked="" type="checkbox"/>	Number: 2022-12	
		Revision <input type="checkbox"/>		
		Current	Budget	Adjusted
		Budget	Revision	Budget
		Amount	Amount	Amount
TRANSFERS WITHIN EXISTING BUDGET				
CAPITAL:	Canopy Repairs (61723.1)	\$ 421,072	\$ (237,088)	\$ 183,984
OPERATING:	Passenger Amenities Maintenance (620-50317)	5,000	237,088	242,088
CAPITAL:	Backup Infrastructure Upgrade (10404)	45,000	(45,000)	-
OPERATING:	Computer & Software Maintenance (180-50313)	209,500	45,000	254,500
		Net Budget Impact \$ -		

Previous Board Activity & Action

The FY22 budget was originally adopted on September 23, 2021. This is the 12th budget transfer/revision related to the FY22 budget.

Identified Need

Provides the Board of Directors a monthly status on any budget transfers completed.

Financial Impact

Capital projects are set up in order to track all project-related expenses. Once the project is closed, it is determined which project is classified as a capital project and which will be expensed to operating. As we receive the final FY22 related invoices, we have reviewed the capital projects and made the determination the following projects will be expensed to operating. Budget revision 2022-12 transfers the associated budget from capital to the necessary operating budget line item to offset these expenses. Overall, there is not a net change to the FY22 budget.



Exhibits

Exhibit 2: Year to Date FY22 Budget Revisions

Submitted By: Amanda Riddle
Amanda Riddle
Senior Manager of Budget

Final Review: David Leininger
David Leininger
Interim Chief Financial Officer

YEAR-TO-DATE FY22 BUDGET REVISIONS

DCTA 2022-01 (Presented to DCTA Board October 28, 2021)

Approved by DCTA Board in October; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING REVENUES:</u>							
<i>Bus Operations</i>	537.40100	Passenger Revenues	\$ 71,399	\$	1,565	\$	72,964
<u>OPERATING EXPENSES:</u>							
<i>G&A</i>	180.50309	Professional Services	194,000		25,650		219,650
	180.50440	Computer Materials & Supplies	40,000		48,700		88,700
<i>Bus Operations</i>	537.50810	Purchased Transportation	1,934,580		150,094		2,084,674
<i>Net Position Impact</i>					\$	(222,879)	

DCTA 2022-02 (Presented to DCTA Board December 2, 2021)

Approved by DCTA Board in December; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>NON-OPERATING REVENUES:</u>							
	900.40300	Sales Tax Revenue	\$ 32,088,804	\$	575,093	\$	32,663,897
<i>Net Position Impact</i>					\$	575,093	

DCTA 2022-03 (Presented to DCTA Board December 2, 2021)

Approved by DCTA Board in December; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING REVENUES:</u>							
<i>Bus Operations</i>	511.40100	Passenger Revenues	\$ 62,763	\$	51,102	\$	113,865
<u>OPERATING EXPENSES:</u>							
<i>Bus Operations</i>	511.50410	Fuel	108,684		171,800		280,484
	511.50635	Auto Liability Insurance	40,601		70,240		110,841
<u>DCTA TRANSFER OUT TO NTMC OPERATING BUDGET:</u>							
<i>Bus Operations</i>	711.501/502	Salaries & Benefits	502,676		802,935		1,305,611
	711.50306	Uniforms	2,219		1,922		4,141
	711.50630	Workers Compensation Insurance	6,390		23,495		29,885
<i>Net Position Impact</i>					\$	(1,019,290)	

DCTA 2022-04 (Presented to DCTA Board December 2, 2021)

Approved by DCTA Board in January; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>CAPITAL:</u>							
		TRiP Program - FY22 (10703)	\$ 7,119,429	\$	(7,019,429)	\$	100,000
		TRiP Program FY22 - Denton (10703.1)	-		3,074,578		3,074,578
		TRiP Program FY22 - Highland Village (10703.2)	-		324,900		324,900
		TRiP Program FY22 - Lewisville (10703.3)	-		3,619,951		3,619,951
<i>Net Position Impact</i>					\$	-	

DCTA 2022-05 (Presented to DCTA Board January 27, 2022)

Approved by DCTA Board in January; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
G&A	110.50309	Professional Services	\$ 302,668	\$	447,000	\$	749,668
				Net Position Impact	\$	(447,000)	

NTMC 2022-N001 (Presented to NTMC Board January 26, 2022)

Approved by NTMC Board in January; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Bus Operations	711.501/502	Salaries & Benefits	\$ 502,676	\$	802,935	\$	1,305,611
	711.50306	Uniforms	2,219		1,922		4,141
	711.50630	Workers Compensation Insurance	6,390		23,495		29,885
<u>NTMC TRANSFER IN FROM DCTA OPERATING BUDGET:</u>							
Bus Operations	711.501/502	Transfers In	6,364,715		828,352		7,193,067
				Net Position Impact	\$	-	

DCTA 2022-06 (Presented to DCTA Board February 24, 2022)

Budget Transfer - No Approval Necessary; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Bus Operations	500.50318	Facilities Maintenance	\$ 236,380	\$	(32,900)	\$	203,480
	590.50318	Facilities Maintenance	17,100		32,900		50,000
Rail Operations	620.50410	Fuel	1,101,600		(15,000)		1,086,600
<u>CAPITAL:</u>							
	61605	Brownfield Remediation	405,000		15,000		420,000
				Net Position Impact	\$	-	

DCTA 2022-07 (Presented to DCTA Board March 7, 2022)

Approved by DCTA Board March 7th; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Bus Operations	535.50810	Purchased Transportation	\$ 3,173,172	\$	145,320	\$	3,318,492
	536.50810	Purchased Transportation	227,616		16,954		244,570
	537.50810	Purchased Transportation	2,084,674		79,926		2,164,600
<u>NON-OPERATING REVENUES:</u>							
Rail Operations	620.40235	Refunds & Reimbursements	-		1,027,200		1,027,200
<u>CAPITAL:</u>							
	61302	Joint Rail Operations Facility (JROF)	-		1,027,200		1,027,200
				Net Position Impact	\$	(242,200)	

DCTA 2022-08 (Presented to DCTA Board March 24, 2022)

Budget Transfer - No Approval Necessary; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Bus Operations	500.50309	Professional Services	\$ 379,000	\$	75,000	\$	454,000
Rail Operations	620.50410	Fuel	1,086,600		(75,000)		1,011,600
			<i>Net Position Impact</i>		\$		-

DCTA 2022-09 (Presented to DCTA Board March 24, 2022)

Approved by DCTA Board March 24th; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Rail Operations	620.51335	Depreciation - Rail Assets	\$ 7,685,776	\$	450,000	\$	8,135,776
<u>NON-OPERATING REVENUES:</u>							
	900.40410	Federal Capital Grants	4,609,056		80,460		4,689,516
<u>CAPITAL:</u>							
61723.1		Canopy Repairs	-		421,072		421,072
61406.1		Positive Train Control Implementation	597,000		100,575		697,575
61605		Brownfield Remediation	35,000		18,552		53,552
10702		Transportation Reinvestment Program (TRiP) - FY21	-		81,444		81,444
10702.1		TRiP - Denton FY21	-		3,419,773		3,419,773
10702.2		TRiP - Highland Village FY21	-		377,233		377,233
10702.3		TRiP - Lewisville FY21	-		3,833,887		3,833,887
10703		Transportation Reinvestment Program (TRiP) - FY22	100,000		-		100,000
10703.1		TRiP - Denton FY22	3,074,578		1,188,573		4,263,151
10703.2		TRiP - Highland Village FY22	324,900		125,600		450,500
10703.3		TRiP - Lewisville FY22	3,619,951		1,399,403		5,019,354
			<i>Net Position Impact</i>		\$		(11,335,651)

DCTA 2022-10 (Presented to DCTA Board April 28, 2022)

Approved by DCTA Board April 28th; Completed

			Current Budget Amount		Budget Revision Amount		Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>							
Bus Operations	535.50810	Purchased Transportation	\$ 3,318,492	\$	850,350	\$	4,168,842
	536.50810	Purchased Transportation	244,570		62,670		307,240
	537.50810	Purchased Transportation	2,164,600		554,670		2,719,270
			<i>Net Position Impact</i>		\$		(1,467,690)

DCTA 2022-11 (Presented to DCTA Board April 28, 2022)

Approved by DCTA Board April 28th; Completed

			Current Budget Amount	Budget Revision Amount	Adjusted Budget Amount
<u>OPERATING REVENUES:</u>					
<i>Bus Operations</i>	240.40120	Contract Service Revenue	\$ 208,550	\$ 165,977	\$ 374,527
	220.40120	Contract Service Revenue	349,917	(38,350)	311,567
<u>OPERATING EXPENSES:</u>					
<i>Bus Operations</i>	240.50810	Purchased Transportation	340,266	82,409	422,675
	240.50810	Purchased Transportation	422,675	138,314	560,989
	220.50810	Purchased Transportation	16,061	29,945	46,006
<i>G&A</i>	100.50309	Professional Services	182,000	84,000	266,000
	120.50309	Professional Services	266,000	388,250	654,250
	170.50309	Professional Services	130,000	90,000	220,000
<u>NON-OPERATING REVENUES:</u>					
	500.40400	Federal Operating Grants	6,646,453	82,409	6,728,862
	620.40235	Refunds & Reimbursements	1,027,200	1,767,640	2,794,840
	900.40300	Sales Tax Revenue	32,663,897	1,527,336	34,191,233
<u>CAPITAL:</u>					
	61302	Joint Rail Operations Facility (JROF)	1,027,200	1,767,640	2,794,840
<u>DCTA TRANSFER OUT TO NTMC OPERATING BUDGET:</u>					
		Transfer Out to NTMC	7,193,067	70,922	7,263,989
			<hr/>		
			<i>Net Position Impact</i>	\$ 853,532	

NTMC 2022-N002 (Presented to NTMC Board May 25, 2022)

Approved by NTMC Board in May; Completed

		Current Budget Amount	Budget Revision Amount	Adjusted Budget Amount
<u>OPERATING EXPENSES:</u>				
<i>Bus Operations</i>	50110	Salary & Wages \$ 3,999,797	\$ 63,562	\$ 4,063,359
	50205	Medicare & Social Security 324,643	4,862	329,505
	50225	SUTA 64,920	2,078	66,998
	50230	FUTA 22,696	419	23,115
<u>DCTA TRANSFER IN TO NTMC OPERATING BUDGET:</u>				
		Transfer In from DCTA 7,193,067	70,922	7,263,989
		<i>Net Position Impact</i>	\$ -	

Board of Directors Memo

October 27, 2022

SUBJECT: Monthly Ridership Reports

Ridership Trends

Exhibits 1-6 provide an overview of total monthly ridership trends across all DCTA services—comparing FY19 against FY20, FY21, and FY22. These exhibits enable a visual comparison of GoZone and fixed-route ridership reports by route and type of service.

Items of Note

- The summary table below shows that September 2022 month-over-month bus trips were more than four times that of the previous month; an increase accredited to the return of UNT students to campus.
- September A-train trips were significantly higher (28.1%) during the same period and represent the highest level of monthly passenger trips since March 2020.
- September GoZone trips were slightly higher than August levels and represent the highest number of monthly GoZone trips since its inception.
- It is notable that GoZone patronage has remained relatively unchanged for the past three months, irrespective of the departure or return of UNT students. This suggests that GoZone is operating near its maximum capacity.

Unlinked Passenger Trips					
	2021	2022			
	September	July	August	September	August-September % Change
Bus*	206,411	25,539	52,660	219,004	315.9%
Rail	15,137	12,437	14,907	19,096	28.1%
GoZone	n.a.	67,439	68,132	69,037	1.3%
TOTAL	221,548	105,415	135,699	307,137	126.3%

August 2021 - August 2022 % Change
6.1%
26.2%
n.a.
38.6%

* UNT, Connect, and Non-Connect Fixed Routes

S:\STRATEGIC PLANNING\ServicePlaningSupport\Trend Analysis\Item2Materials4Oct27\[FY19-FY22Compare_100922.xlsx]Sheet1

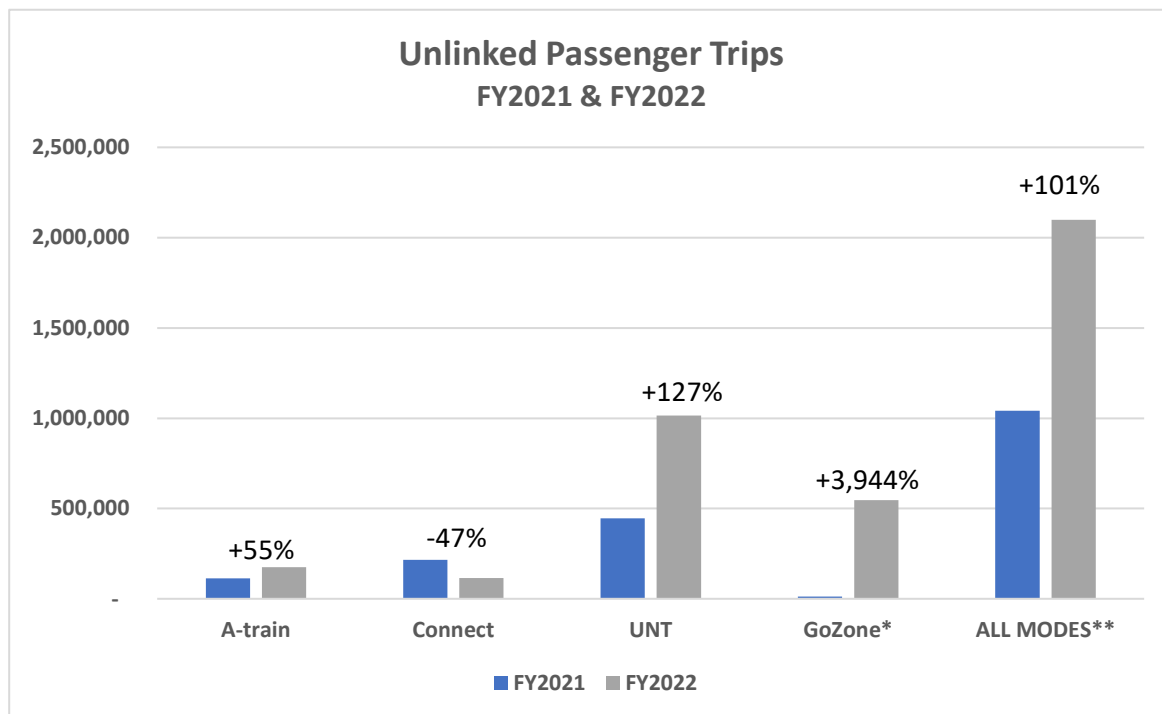
DCTA's robust ridership recovery from the COVID-19 pandemic continues with total September 2022 ridership being about 38 percent above September 2021 levels. September 2022 A-train boardings continue to be about 26 percent above September 2021. Lastly, September 2022 A-train boardings were more than twice (102%) greater than overall monthly average A-train boardings (9,453) in FY21 as seen in the following table.

FY 21 A-train Monthly Average Passengers	9,453
September 2022 A-Train Passengers	19,096
Percent Increase (Decrease)	102.0%

FY2021/ FY2022 Comparison

The table and chart below visually show the differences by mode between fiscal years 2021 and 2022. Overall, DCTA provided more than twice the number of passenger trips in FY 2022 across all modes.

	A-train	Connect	UNT	GoZone*	ALL MODES**
FY2021	113,440	215,535	446,626	13,519	1,041,604
FY2022	175,637	114,364	1,015,360	546,758	2,098,156



Notes:

*GoZone operated only three full months in FY2021

**"ALL MODES" includes vanpool, paratransit, and North Texas Express and Monsignor King fixed-route service

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Exhibits

- Exhibit 1: Ridership by Mode – September 2022
- Exhibit 2: Connect and GoZone Ridership by Month and Year
- Exhibit 3: Connect Ridership Year-Over-Year by Month
- Exhibit 4: A-train Year-Over-Year Ridership Comparison
- Exhibit 5: Fixed-Route Ridership – September 2022
- Exhibit 6: UNT Ridership Year-Over-Year by Month

Submitted By: _____



Tim Palermo, Planning & Data Analytics Manager



Final Review: _____

Troy Raley, Senior Director – Mobility Services



Final Review: _____

Rony Philip Sr. Director – Rail Operations



Final Review: _____

Javier Trilla – AVP of Innovation and Information Technology

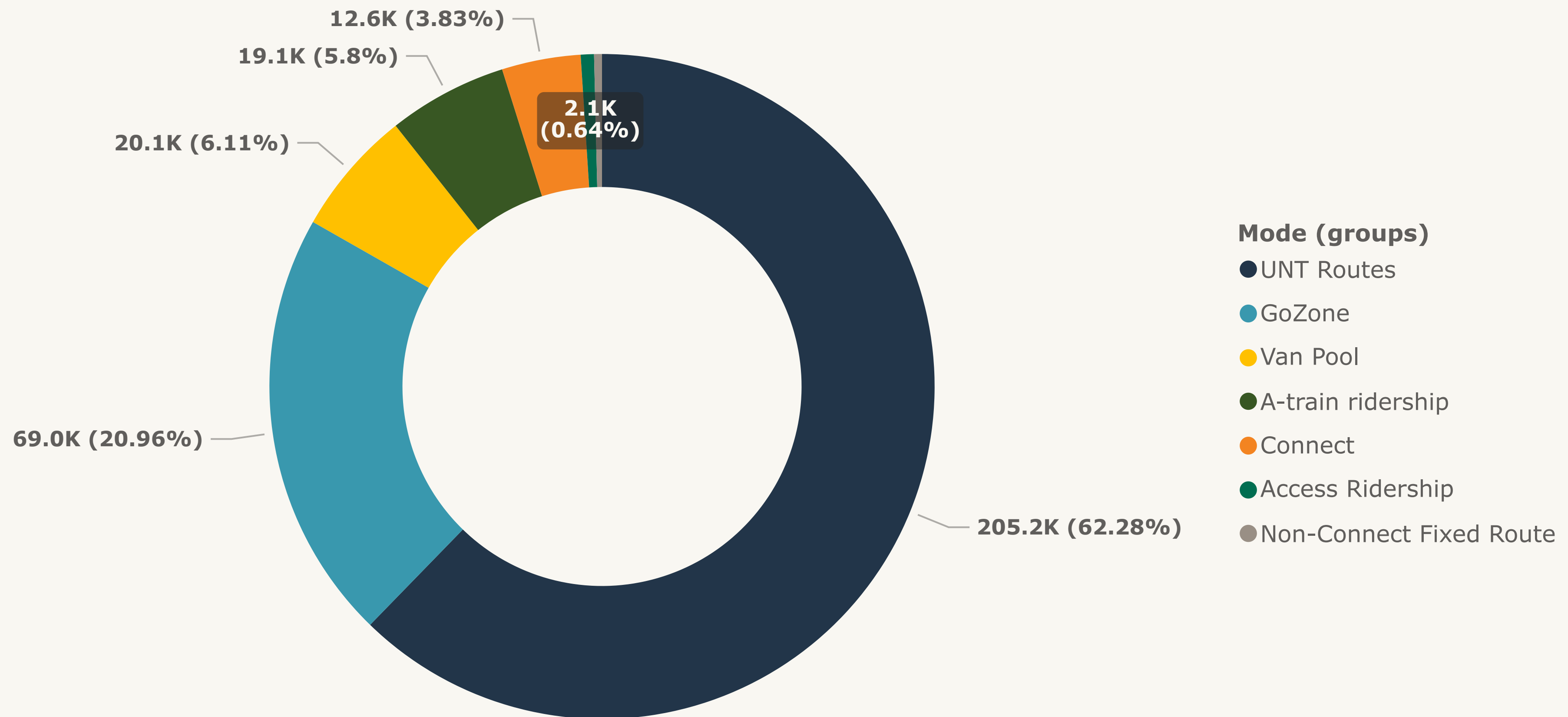
Total Ridership - Sep 2022

329.4K

Total Ridership FYTD

2.19M

Ridership by Travel Mode - Sep 2022



Total Ridership - Sep 2022

329.4K

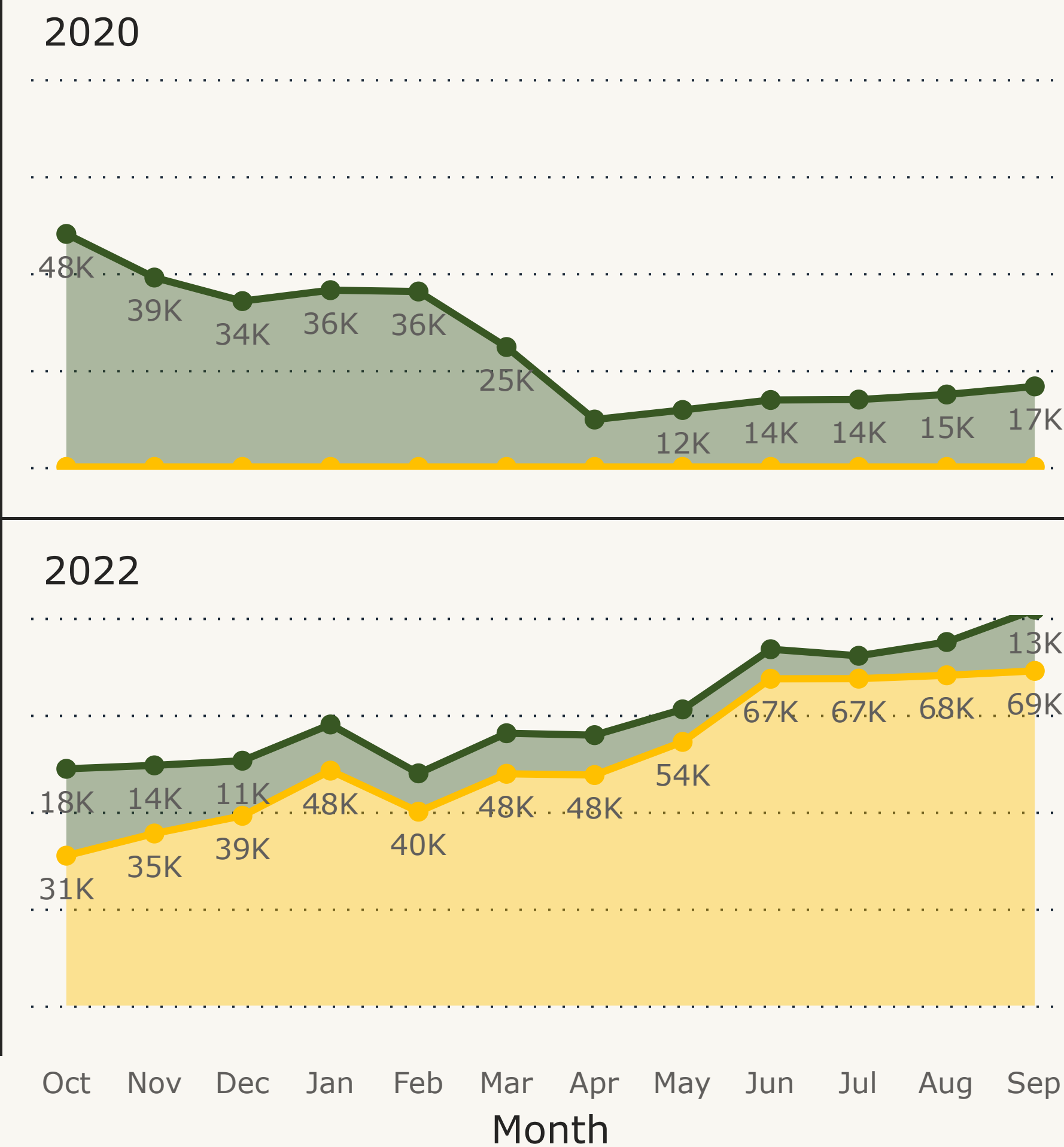
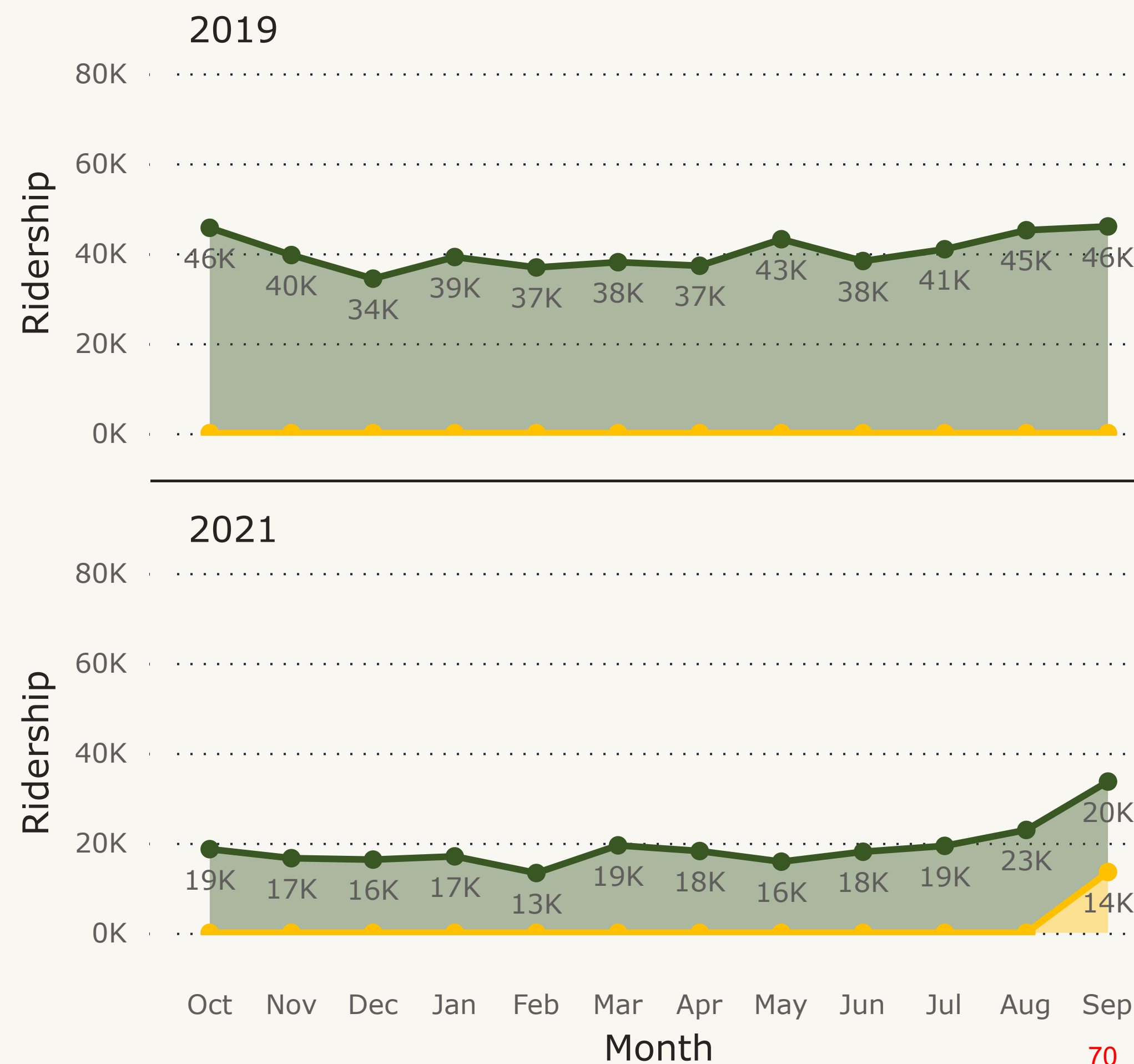
Total Ridership FYTD

2.19M

Information Report 2
Exhibit 2

Connect and GoZone Ridership by Month

Mode (groups) ● GoZone ● Connect



Total Ridership - Sep 2022

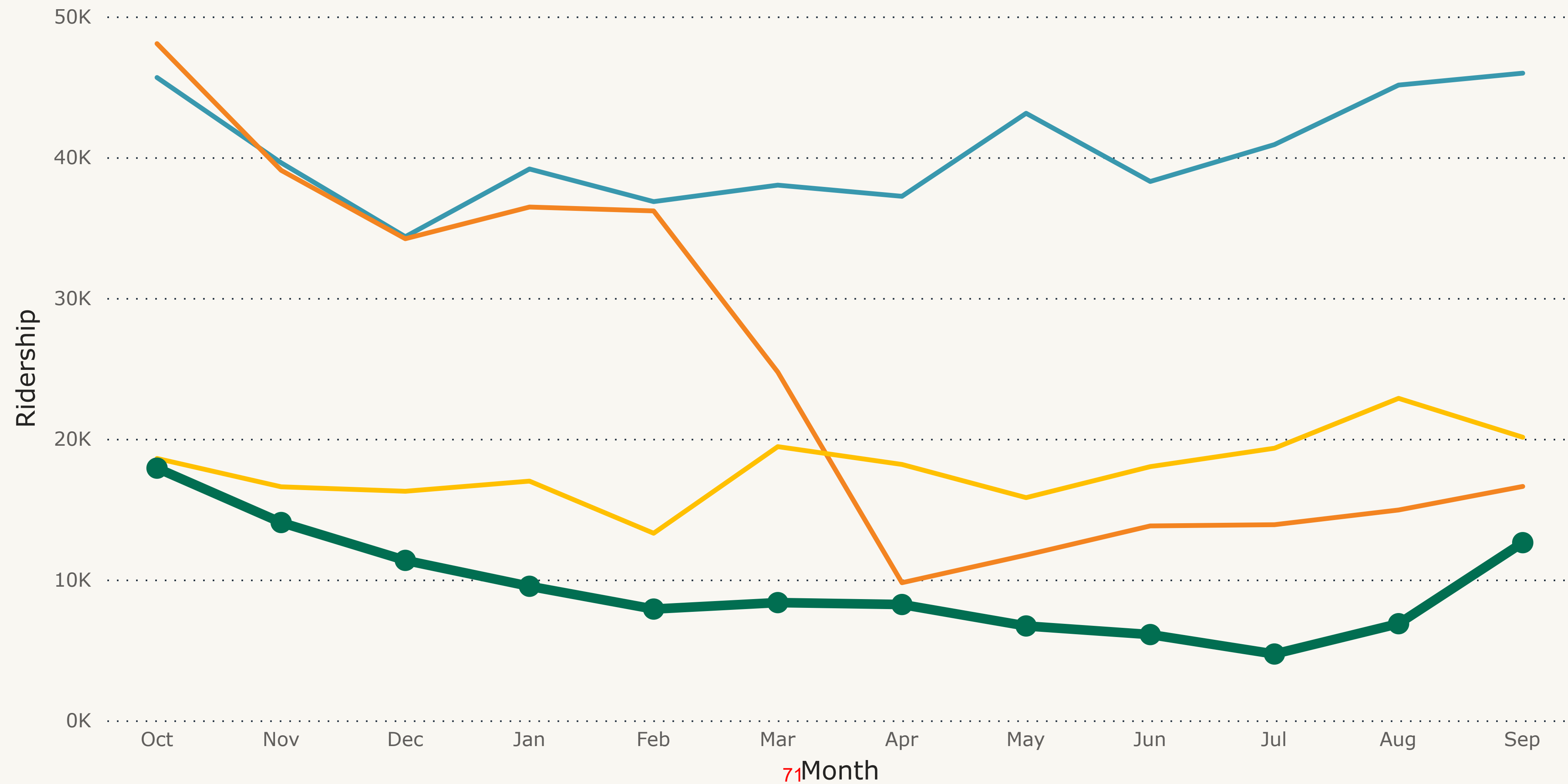
329.4K

Total Ridership FYTD

2.19M

Ridership by Month and Fiscal Year - Connect

Fiscal Year ● 2019 ● 2020 ● 2021 ● 2022



Total Ridership - Sep 2022

329.4K

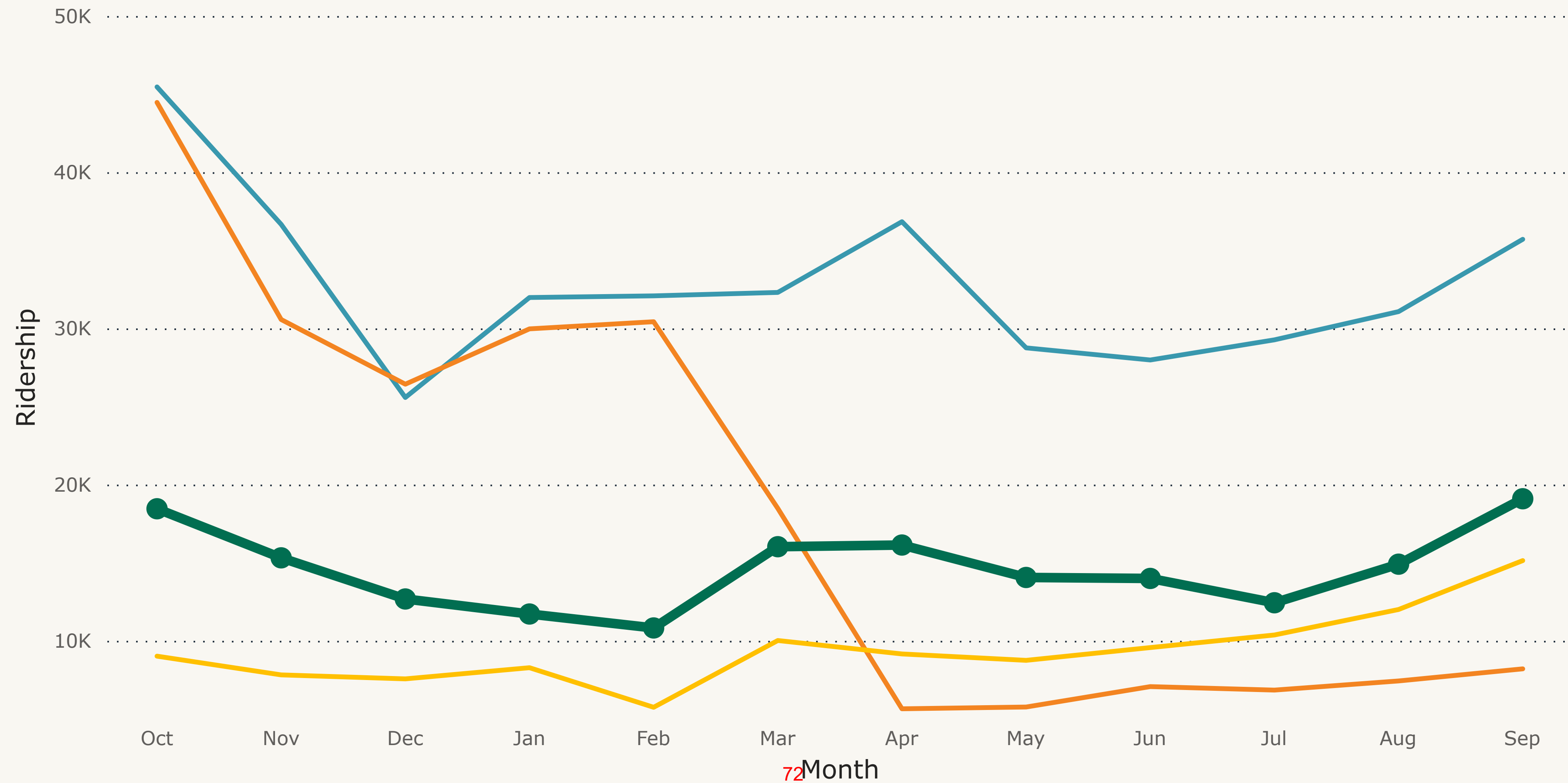
Total Ridership FYTD

2.19M

Information Report 2
Exhibit 4

Ridership by Month and Fiscal Year - A-train

Fiscal Year ● 2019 ● 2020 ● 2021 ● 2022





Total Ridership - Sep 2022

329.4K

Total Ridership FYTD

2.19M

Mode (groups)	Ridership
UNT Routes	43,823
Connect	6,867
Non-Connect Fixed Route	1,970
Total	52,660

Fixed Route Ridership Waterfall

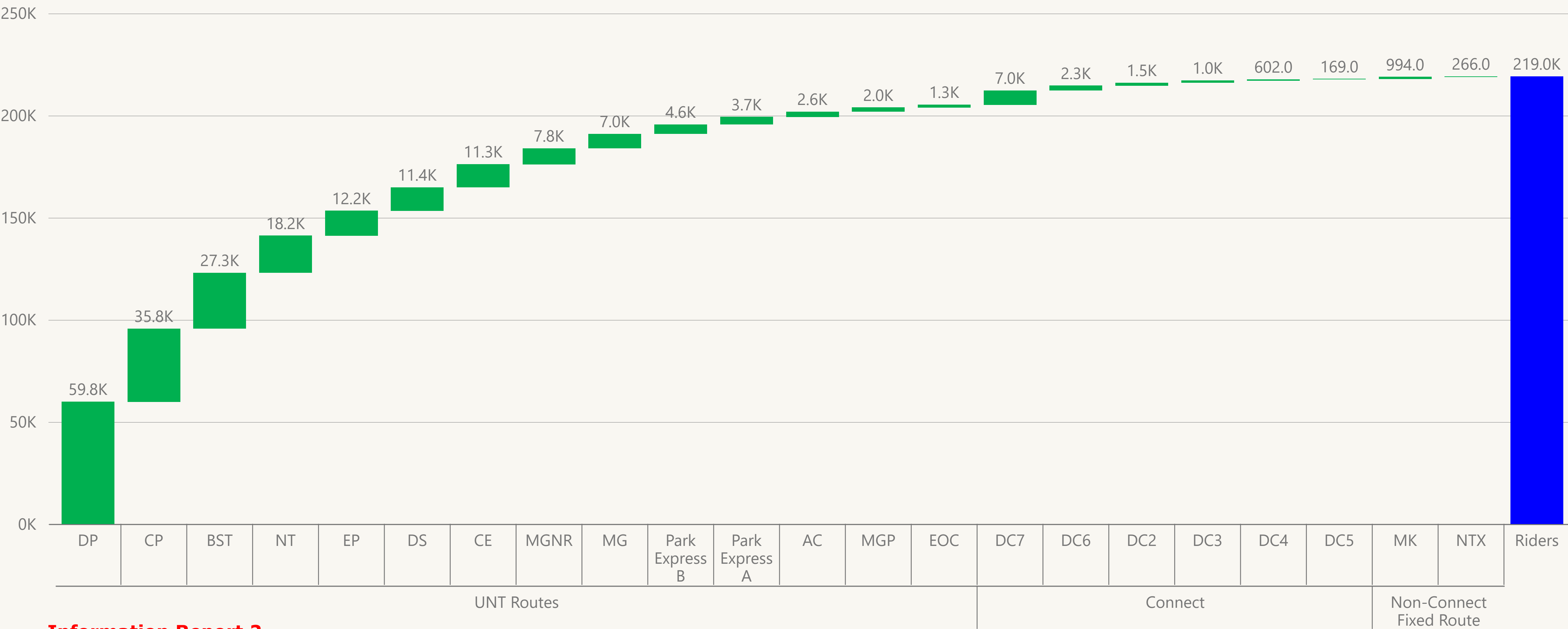


EXHIBIT 5 NOTES

UNT Route Abbreviation Key

DP – Discovery Park

BST – Bernard Street

EP – Eagle Point

CP – Centre Place

NT – North Texan

DS – Daugherty Street

CE – Colorado Express

MG – Mean Green

CC – Campus Cruiser

EOC – Evening Off Campus

Total Ridership - Sep 2022

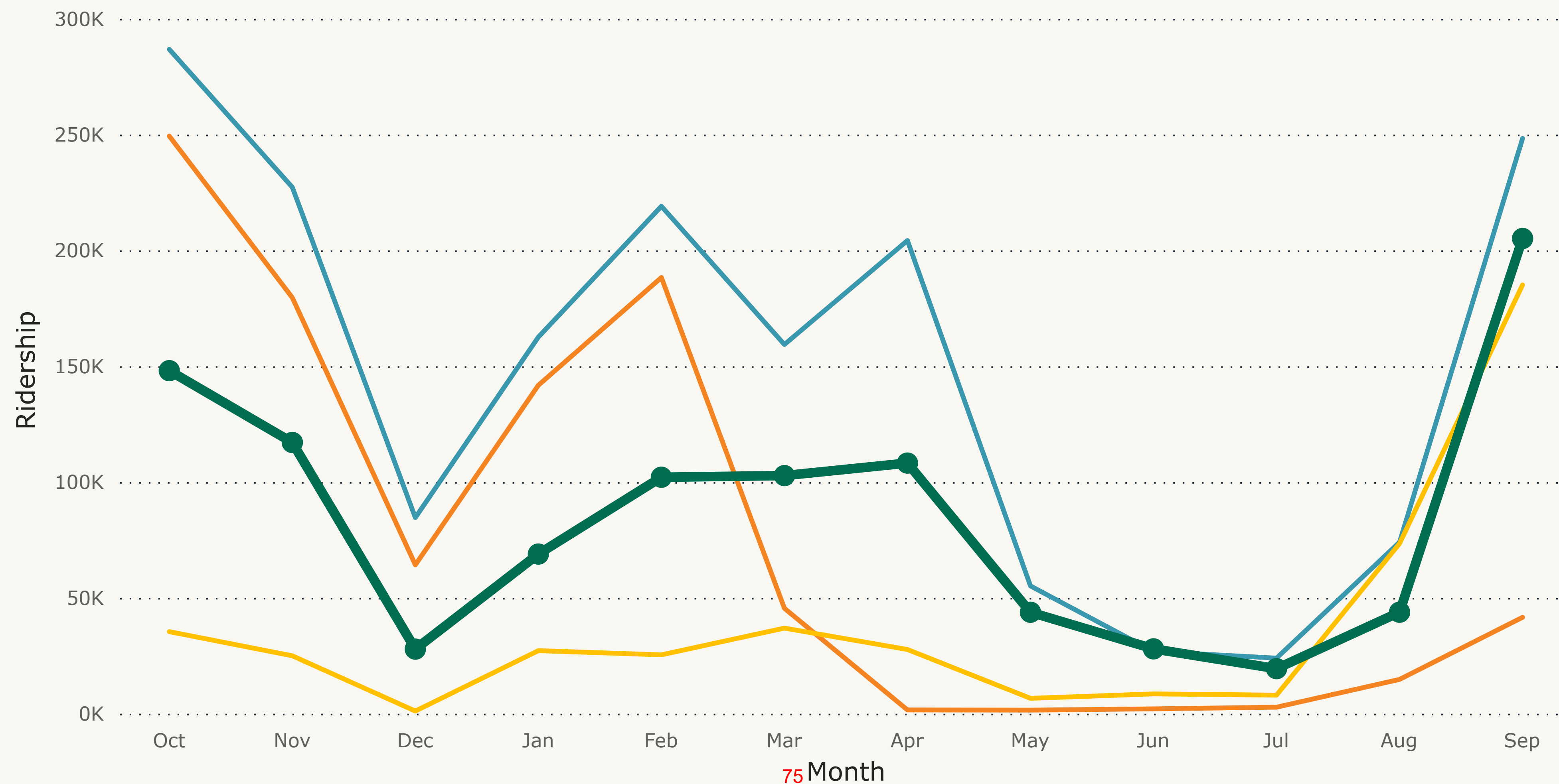
329.4K

Total Ridership FYTD

2.19M

Ridership by Month and Fiscal Year - UNT

Fiscal Year ● 2019 ● 2020 ● 2021 ● 2022



Board of Directors Memo

October 27, 2022

SUBJECT: Amend Interlocal Agreement with Trinity Metro and Task Order with Lyft for Alliance Services

Recommendation

This item is presented for informational purposes only. No action is required.

Background

On February 1, 2019, DCTA and Trinity Metro entered into an Interlocal Agreement (ILA) to provide first/last mile services to the Alliance Corridor. The initial term of the ILA between the two agencies was two years, ending on January 31, 2021, with the option to extend an additional 12-month period, ending on January 31, 2022. On January 27, 2022, DCTA and Trinity Metro approved an additional one-year extension of the ILA and Task Order #13 with Lyft, both expiring on January 31, 2023. Trinity Metro has requested an additional extension for services through September 30, 2023. The intent of the ILA is to allow DCTA to execute an amended task order with the currently contracted mobility provider, Lyft. This will allow the continuation of services in the Alliance Corridor through September 30, 2023.

Per the draft ILA, fourth amendment, DCTA would contract with the mobility provider, Lyft, to deploy on-demand service to a geo-fenced area. The ILA provides for mutually agreed upon amendments to the geo-fence and hours of operation, as needed based on ridership data analysis. Trinity Metro is responsible for all marketing efforts, customer service, data management, analysis, and a Business Development Manager to manage the service and serve as the primary liaison with the employers and employees. DCTA is responsible for contract management, billing, reporting, and data analytics. The table below represents the cost allocation breakdown per the draft ILA.

Agency	Service Rendered	Cost Allocation
DCTA	Contracted Mobility Provider Service: Direct Invoiced Costs	Not to Exceed \$122,400
	Administrative Fee: Contract Management, Billing, Administration, Reporting, and Data Analytics	Not to Exceed \$81,600
		Total: \$204,000
Trinity Metro	Marketing, Customer Service, and Program Management	\$20,000
		Total: \$224,000

Previous Board Activity & Action

- **January 24, 2019** – Regular Agenda Item 3g – Authorize the CEO to Execute and Negotiate an Interlocal Agreement (ILA) with Trinity Metro for Alliance Service
- **January 24, 2019** – Regular Agenda Item 3h – Authorize CEO to Negotiate and Execute Task Order with Lyft to Replace Alliance Link service
- **January 27, 2022** – Consent Agenda Item 3 – Consider and Approve a Second Amendment to extend the Alliance Services with Trinity Metro
- **April 28, 2022** – Regular Agenda Item 10 – Consider and Approve a Third Amendment to the Interlocal Agreement (ILA) with Trinity Metro to Increase the Authorization Amount and Consider and Approve Task Order Increase with Lyft for Alliance

Identified Need

Employers continue to face retention issues due to transportation challenges experienced by employees. Continuation of a first/last mile program connected with the North Texas Xpress and North Park & Ride allows employees traveling from Denton and Fort Worth to access employment opportunities.

Financial Impact

As noted in the table under Background, DCTA services are estimated at \$204,000. The program costs attributed to DCTA activities will be fully reimbursed by Trinity Metro, as provided by NCTCOG Regional Toll Revenue funds.

Exhibits

None.

Submitted By: 
Richard Firman, Manager of Mobility Services

Final Review: 
Javier Trilla, AVP of Innovation and Information Technology

Board of Directors Memo

October 27, 2022

SUBJECT: Update on Joint Rail Operations Facility (JROF) Short Term Lease and Project Design

Recommendation

This is an informational item only. No Board action is required.

Background

The Denton County Transportation Authority (DCTA) and Dallas Area Rapid Transit (DART) Boards of Directors signed an Interlocal Agreement (ILA) in November 2021 that expressed their desire to jointly locate the Silver Line rail equipment at the DCTA Rail Operations and Maintenance Facility (ROMF) in Lewisville.

Since that time, DCTA and DART staff have collaborated to (1) develop a short-term lease for DART's occupancy of the existing ROMF and (2) begin design of the JROF expansion.

The DCTA Board approved the financial terms of the Short-Term Lease in the January 27, 2022, Board of Directors meeting and directed staff to execute the Agreement once the other legal terms and conditions were complete per the Motion below:

Motion by Vice-Chair Gilmore with a second by Secretary Costa to approve Option 1 of the agenda item memo as provided with the understanding that DART will provide an operations flow that can be included in the agreement and authorize the CEO to execute any necessary documents after review by Legal Counsel. Motion passes 5-0.

For clarity, Option 1 was to "approve the compensation structure offered by DART in their counterproposal and direct Staff and Board Attorney to execute the Lease Agreement following satisfactory resolution of the non-financial terms and conditions of the Agreement between DCTA's and DART's respective staffs and Legal Counsel."

The DART Board provided its staff the same direction in its January 25, 2022, Board of Directors meeting.

Upon execution of the short-term lease, DCTA will amend its Agreement with Rio Grande Pacific to provide indemnification to the contractor for any liability related to the presence of Silver Line equipment at the ROMF. This provision has been found to be acceptable by the Board's legal counsel. In addition, the lease also contains a provision that enables Rio Grande Pacific to provide fuel to the Silver Line equipment on a reimbursable basis. The DCTA FY2023 operating budget accounts for these expenditures and reimbursements.

The first Silverline rolling stock could be delivered to the DCTA ROMF in December 2022.

The final draft of the short-term lease has been circulated among the parties involved and found to be acceptable. DCTA and DART will then execute the Agreement, which is attached as a final draft in Exhibit 1.

At the same time, work has been proceeding on design of the JROF expansion. This project, funded by DART and administered by DCTA, is currently at the 60% design stage.

The current JROF Project schedule timeline is as below:

October 26, 2022	60% Design Stakeholder Review Meeting
January 6, 2023	95% Design Documents Issue for Review
January 20, 2023	95% Design Cost Estimate for Review
January 27, 2023	95% Design Stakeholder Review Meeting
February 10, 2023	Issue 100% Documents for Bidding and Permitting

Previous Board Activity

- On October 28, 2021, DCTA Board authorized CEO to enter into an ILA with DART for JROF (Joint Rail Operations Facility).
- On January 27, 2022, DCTA Board authorized CEO to execute the Lease Agreement following satisfactory resolution of the non-financial terms and conditions of the Agreement between DCTA's and DART's respective staffs and Legal Counsel. DCTA Board also approved receipt of design funds for JROF from DART.
- On March 24, 2022, DCTA Board discussed and approved funds transfer from DART.

Identified Need

None.

Financial Impact

None.

Exhibits

- 1) Lease Agreement
- 2) Exhibit A Site Plan
- 3) Exhibit B-1 OMF Operating Plan before Silverline Operations
- 4) Exhibit B-2 OMF Operating Plan during Silverline Operations
- 5) Agreement For A-train Operations and Maintenance, Amendment No.1

Note: Other Operating Plan Exhibits B3-B10 are railroad operating procedures totaling 68 pages. These are available upon request.

Submitted By: 
Rony Philip, Senior Director Rail Operations

Approved By: 
Paul A. Cristina, Chief Executive Officer

LEASE AGREEMENT BETWEEN
DENTON COUNTY TRANSPORTATION AUTHORITY,
AS LANDLORD, AND
DALLAS AREA RAPID TRANSIT,
AS TENANT
DATED _____, 2022

BASIC LEASE INFORMATION

Effective Date: _____, 2022

Landlord: DENTON COUNTY TRANSPORTATION AUTHORITY, a regional transportation authority, organized and existing pursuant to Chapter 460 of the Texas Transportation Code

Tenant: DALLAS AREA RAPID TRANSIT, a regional transportation authority, organized and existing pursuant to Chapter 452 of the Texas Transportation Code

Premises: The "**Premises**" shall be comprised of (i) certain office space and shop space designated by Landlord, and approved by Tenant, in the building whose street address is 640 TX-121, Lewisville, TX 75057 (the "**Building**"), (ii) the Yard Track, Mainline Track, storage area, , tandem lift area, and other areas shown on the Site Plan, and (iii) any capital improvements constructed during the term of this Lease. The Site Plan and Premises are approximately depicted on Exhibit A which is attached hereto and incorporated herein by reference.

Initial Term: Twenty-four (24) full calendar months, plus any partial month from the Commencement Date to the end of the month in which the Commencement Date falls, starting on the Commencement Date and ending at 5:00 p.m. local time on the last day of the twenty-fourth (24th) full calendar month following the Commencement Date, subject to adjustment and earlier termination as provided in the Lease.

Extension Term: One (1) period of twenty four (24) full calendar months. The Initial Term and any Extension Term shall be collectively referred to as the "**Term**." In the event the Parties desire to extend this Lease beyond the Initial Term, Tenant shall seek approval from its Board of Directors no later than six (6) months before the Expiration Date. Rent shall be increased by 3% annually for the Extension Term; Tenant's Proportionate Share of Operating Costs shall remain the same.

Commencement Date: _____, 2022

Rent & Tenant's
Proportionate Share of
Operating Costs:

Tenant shall pay Rent and Tenant's Proportionate Share of Operating Costs in the following amounts for the following periods of time.

	Rent	Tenant's Proportionate Share of Operating Costs	Total
Year 1	\$6,927 / Lease Month	\$14,699 / Lease Month	\$21,626 / Lease Month
	\$83,124 / Year	\$176,388 / Year	\$259,512 / Year
Year 2	\$36,091 / Lease Month	\$24,538 / Lease Month	\$60,629 / Lease Month
	\$433,092 / Year	\$294,456 / Year	\$727,548 / Year

As used herein, the term "**Lease Month**" means each calendar month from and after the Commencement Date (and if the Commencement Date does not occur on the first day of a calendar month, the period from the Commencement Date to the first day of the next calendar month shall be included in the first Lease Month for which Rent is payable for purposes of determining the duration of the Term and the monthly Rent rate applicable for such partial month).

Permitted Use:

Tenant may use the Premises for receiving, testing and commissioning of Tenant's FLIRT Vehicles and related activities associated with operations and maintenance of the vehicles and related equipment and for any other uses approved by Landlord in advance.

Tenant's Address:

For all Notices:

Copy to:

Dallas Area Rapid Transit
P.O. Box 660163
Dallas, Texas 75266-7210
Attn: Vice President Commuter
Rail

DART Office of General
Counsel
1401 Pacific Avenue
Dallas, Texas 75202

Landlord's
Address:

For all Notices:

DCTA
1955 Lakeway Drive, Suite
260
Lewisville, Texas 75057
Attn: Paul Cristina
Email: pcristina@dcta.net

With a copy to:

Nichols, Jackson, Dillard,
Hagar & Smith L.L.P.
500 North Akard Street
500 North Akard
Dallas, Texas 75202
Attn: Joseph J. Gorfida, Jr
Email: jorfida@njdhs.com

The foregoing Basic Lease Information is incorporated into and made a part of the Lease identified above. If any conflict exists between any Basic Lease Information and the Lease, then the Lease shall control.

LEASE

This Lease Agreement (this "**Lease**") is entered into as of _____, 2022, between DENTON COUNTY TRANSPORTATION AUTHORITY, a regional transportation authority, organized and existing pursuant to Chapter 460 of the Texas Transportation Code ("**Landlord**"), and DALLAS AREA RAPID TRANSIT, a regional transportation authority, organized and existing pursuant to Chapter 452 of the Texas Transportation Code ("**Tenant**").

1. **Definitions and Certain Provisions.** The definitions and basic provisions set forth in the Basic Lease Information (the "**Basic Lease Information**") set forth above are incorporated herein by reference for all purposes. Additionally, the following terms shall have the following meanings when used in this Lease:

(a) "**Affiliate**" means any person or entity which, directly or indirectly controls, is controlled by, or is under common control with the party in question;

(b) "**Mainline Track**" means the territory from mile marker [742.8] at Control Point Mill/Ismaili Center Circle to Mile Marker [737.6] at Control Point Purnell including Right of Ways, Turnouts, Crossings, Signal Systems, Fiber and IT infrastructure, as shown on the Site Plan attached as Exhibit A to this Lease;

(c) "**Yard Track**" means the rail track designated by Landlord as "in-yard" facility adjacent to the DCTA A-train Rail Operations and Maintenance facility, as shown on the Site Plan, attached as Exhibit A to this Lease;

(d) "**Including**" means including, without limitation;

(e) "**Laws**" means all federal, state, and local laws, ordinances, rules and regulations, court orders, governmental directives, and governmental orders;

(f) "**Operating Plan**" means the rail traffic control plan, safety plan, and rules and regulations set forth below as (1) through (10) and that comprise Exhibit B which is incorporated herein by reference. The Operating Plan shall be retained by Landlord and Tenant in their respective files and may be amended by Landlord and Tenant without amending the entire Lease.

- (1) OMF Operating Plan Before Silverline Operations;
- (2) OMF Operating Plan During Silverline Revenue Operations;
- (3) Silver Line Pre-Revenue Operation Plan;
- (4) Silverline Locomotive Engineer Territory Qualification Plan;
- (5) DCTA General Order;
- (6) DCTA Timetable 7;

- (7) DCTA Special Instructions;
- (8) DCTA Part 214 On Track Safety Program;
- (9) DCTA System Safety Program Plan; and
- (10) DCTA Temporal Separation Plan.

(g) "**FLIRT Vehicle**" means a single-decker passenger train manufactured by Stadler as part of its FLIRT (Fast Light Intercity and Regional Train) model series; and

(h) "**Tenant Party**" means any of the following persons: Tenant; any assignees claiming by, through, or under Tenant; any subtenants claiming by, through or under Tenant; and any of their respective agents, contractors or employees.

(i) "**Landlord Party**" means any of the following persons: Landlord and its agents, employees or contractors.

2. **List of Exhibits.** This Lease Agreement includes all exhibits and attachments attached hereto are incorporated herein by this reference.

Exhibit A	Outline of Premises/Site Plan
Exhibit B	Operating Plan

3. **Lease.**

(a) **Lease Grant.** Subject to the terms of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, joint use together with Landlord of the Premises for the purpose of receiving, testing and commissioning Tenant's FLIRT Vehicles and related activities associated with operations and maintenance of the FLIRT Vehicles and related equipment and for any other uses approved by Landlord in advance. Additionally, subject to the terms of this Lease, Tenant Party shall have a non-exclusive right to use in common with Landlord all driveways, roadways, and other similar improvements designated by Landlord from time to time as common areas for the common use and enjoyment of all tenants and occupants of the Premises (the "**Common Areas**"). THE PREMISES ARE BEING LEASED TO TENANT IN THEIR PRESENT "AS-IS" CONDITION, WITH TENANT ACCEPTING ALL DEFECTS, IF ANY. LANDLORD MAKES NO WARRANTY, AND TENANT IS NOT RELYING ON ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE DEMISED PREMISES (WITHOUT LIMITATION, LANDLORD MAKES NO WARRANTY, AND TENANT IS NOT RELYING ON ANY WARRANTY AS TO THE HABITABILITY, FITNESS OR SUITABILITY OF THE DEMISED PREMISES FOR A PARTICULAR PURPOSE NOR AS TO THE ABSENCE OF ANY TOXIC OR OTHERWISE HAZARDOUS SUBSTANCES).

(b) **Use of Storage Area.** Subject to the terms and conditions set forth in this Lease, Tenant shall have the right to install and maintain storage containers within the short term storage area shown on the Site Plan, attached as Exhibit A. Tenant shall install, operate and maintain the storage containers in the storage area in accordance with this Lease and in a manner so as to avoid any material interference with Landlord's operations at the Premises.

(c) Joint Use of Premises. Subject to the terms and conditions set forth in this Lease, Tenant shall have the non-exclusive right to use the Premises jointly with Landlord, including the tandem lift area, Yard Track, and Mainline Track as shown on the Site Plan, attached as Exhibit A. Tenant's use of the Premises shall be in accordance with the terms of this Lease and the Operating Plan, which is Exhibit B to this Lease. Landlord and Tenant shall jointly use the Premises in a manner so as to avoid any material interference with either party's operations at the Premises. No track on the Premises shall be designated exclusively to Landlord, Tenant, or any other party, nor shall any track be designated exclusively to Rio Grande Pacific Corporation, Herzog, or any other contracted operator. Prior to accessing and using the Mainline Track, Tenant shall obtain the prior written approval of Landlord's operator of the Mainline Track, which approval shall not be unreasonably withheld and shall be granted (or denied) promptly upon Tenant's request.

4. Tender of Joint Possession.

(a) Tender of Joint Possession. Landlord anticipates that joint possession of the Premises will be tendered to Tenant on or about November 1, 2022 (the "**Estimated Delivery Date**"). If Landlord tenders joint possession of the Premises to Tenant within thirty (30) days of the Estimated Delivery Date, then (1) the validity of this Lease shall not be affected or impaired thereby, (2) Landlord shall not be in default hereunder or be liable for damages therefor, and (3) Tenant shall accept possession of the Premises when Landlord tenders joint possession thereof to Tenant. Occupancy of the Premises by Tenant prior to the Commencement Date shall be subject to all of the provisions of this Lease excepting only those requiring the payment of Rent and Operating Costs. Tenant acknowledges and agrees that its right to use and possess the Premises is non-exclusive and subject to Landlord's right to use the Premises jointly with Tenant.

5. Rent, Operating Costs, and Pass-through Costs.

(a) Payment. Tenant shall timely pay Rent and Tenant's Proportionate Share of Operating Costs to Landlord, in the amounts set out in in the Basic Lease Information, without notice, demand, deduction or set off (except as otherwise expressly provided herein). Rent and Tenant's Proportionate Share of Operating Costs shall be payable monthly in advance, beginning on the Commencement Date and payable thereafter on the first day of each month after the Commencement Date. Payments of Rent and Tenant's Proportionate Share of Operating Costs for any fractional calendar month shall be prorated. The Parties agree that additional costs, including fuel, will be incurred and such costs shall be invoiced separate and apart from Rent and Operating Costs as the terms are defined herein.

(1) The term "**Operating Costs**" means the following expenses and disbursements (subject to the limitations set forth below) that Landlord reasonably incurs in connection with the ownership, operation, and maintenance of the Premises, determined in accordance with Landlord's normal and customary accounting practices consistently applied:

(a) all supplies and materials used in the operation, maintenance, repair, replacement, and security of the Premises;

(b) subject to Section 9 of this Agreement, cost of all utilities (which include only the following: gas, electricity, water, and sewer) for the Common Areas and other areas of the Premises not exclusively servicing Landlord or Tenant, such as mechanical and electrical rooms (Operating Costs shall *not* include any costs or expenses for telecommunications, fuel for rail vehicles or service vehicles);

(c) repairs, replacements, security measures, and general maintenance of the Premises, including paving and parking areas, roads, rails, roof repairs, driveways, trash collection, sweeping and removal of trash for the Common Areas, mowing and snow removal, landscaping and exterior painting, the cost of maintaining utility lines, fire sprinklers and fire protection systems, exterior lighting, and mechanical and plumbing systems serving the Premises;

(d) expenses incurred by Landlord in maintaining the Mainline Track or fees or expenses paid by Landlord to any contractor or operator that maintains the Mainline Track;

(e) Landlord and Tenant acknowledge and agree that Landlord is a tax exempt entity and the Premises are not subject to any taxes, assessments or other governmental charges or fees ("**Real Property Taxes**"). Notwithstanding the foregoing, in the event that the Premises become subject to any Real Property Taxes, then Tenant agrees that it will pay to Landlord Tenant's Proportionate Share of any such Real Property Taxes on a monthly basis.

(f) the cost of Landlord's property insurance obligations provided in Section 12.

(2) By April 1 of each calendar year, or as soon thereafter as practicable, Landlord shall furnish to Tenant a detailed—statement of Landlord's actual Operating Costs for the previous year. Tenant may, at Tenant's expense, audit Landlord's books with respect to Operating Costs. Landlord and Tenant understand and agree that Tenant's Proportionate Share of Operating Costs has been determined and approved by each party's respective Board of Directors in the amounts set out in the Basic Lease Information. In no event shall Tenant be obligated to pay more than Tenant's Proportionate Share of Operating Costs, nor shall Tenant be entitled to a reimbursement from Landlord.

(3) Pass-through Costs. As soon as practicable, Landlord shall install a fuel meter on the Premises to log the fuel usage of each Party. Until such fuel meter is installed, Landlord shall manually log Tenant's fuel usage employing a method agreed to by the Parties. Tenant shall pay all costs for fuel it consumes. Likewise, Tenant shall pay all costs incurred by Landlord for any services rendered to Tenant by Rio Grande Pacific Corporation (or another operator contracted by Landlord);

provided, however, Tenant must pre-approve any such services. Landlord shall invoice Tenant separately for any costs incurred pursuant to this paragraph.

6. **Delinquent Payment; Handling Charges.** All payments required of Tenant hereunder not received within forty-five (45) days of the date due shall bear interest from the date due until paid at the lesser of five percent (5%) per annum (the "**Default Rate**"); additionally, Landlord, in addition to all other rights and remedies available to it, may charge Tenant a fee equal to the greater of (a) \$50.00 or (b) five percent (5%) of the delinquent payment to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. In no event, however, shall the charges permitted under this Section 6 or elsewhere in this Lease, to the extent they are considered to be interest under applicable Law, exceed the maximum lawful rate of interest. Notwithstanding the foregoing, the late fee and interest referenced above shall not be charged with respect to the first occurrence (but not any subsequent occurrence) during any 12-month period that Tenant fails to make payment on the date due, until five (5) days after Landlord delivers written notice of such delinquency to Tenant.

7. **Landlord's Maintenance Obligations.** Landlord shall maintain, repair, and replace, at Landlord's expense, the Premises, excluding reasonable wear and tear. Notwithstanding the foregoing, in the event that any such repair or replacement is solely necessitated by the acts or omissions of Tenant, its employees, agents, contractors, invitees, subtenant's and assignees, Tenant shall reimburse Landlord for all commercially reasonable repairs and/or replacements within thirty (30) days after the later of the date that Landlord completes such repairs and/or replacements and the date that Landlord delivers written notice to Tenant together with documentation of the costs of such repair and/or replacement. Additionally, Landlord shall maintain the parking areas, and other common areas of the Building, including driveways, landscape and grounds surrounding the Premises and utility lines in a good condition. Landlord shall be solely responsible for all repairs, replacement or improvements to the Premises required to comply with Laws, including without limitation the Americans with Disabilities Act of 1990 (the "**ADA**"). Notwithstanding the foregoing, in the event that, as a sole result of Tenant's operations in the Premises, modifications to the Premises are required to comply with the ADA, then the cost of any such modifications shall be the sole responsibility of Tenant. All costs incurred by Landlord in performing the work described in this paragraph (except any costs for repairs and/or replacements reimbursed by Tenant pursuant to this Section 7) shall be included in Operating Costs. Tenant shall promptly notify Landlord in writing of any work required to be performed under this Section 7, and Landlord shall promptly perform the required maintenance work upon receipt of such notice. Landlord shall not be responsible for performing such work until Tenant delivers to Landlord such notice. Notwithstanding anything to the contrary contained herein, Landlord shall, in its commercially reasonable discretion, determine the appropriate remedial action required of it to satisfy its maintenance obligations hereunder (e.g., Landlord shall, in its commercially reasonable discretion, determine whether, and to the extent, repairs or replacements are the appropriate remedial action). In the event Landlord fails to perform its maintenance obligations under this Section 7 within thirty (30) days after receiving notice from Tenant of the need for maintenance work, then Tenant may perform the necessary repairs and/or replacements and deduct the costs for such repairs and/or replacements from Tenant's monthly Rent.

8. Improvements; Alterations; Tenant's Maintenance and Repair Obligations.

(a) Improvements; Alterations. No alterations or additions in or to the Premises may be made without Landlord's prior written consent, which shall not be unreasonably withheld or delayed; however, Landlord may withhold its consent to any alteration that would materially and adversely affect (in the reasonable discretion of Landlord): (1) the Building, including the appearance of its exterior and Common Areas, or (2) the provision of services critical to Landlord's operations. Tenant shall not paint or install lighting or decorations, signs, window or door lettering, or advertising media of any type visible from the exterior of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. All alterations, additions, and improvements shall be constructed, maintained, and used by Tenant, at its risk and expense, in accordance with all Laws and Tenant shall obtain all necessary governmental approvals and permits therefor at its sole cost and expense; Landlord's consent to or approval of any alterations, additions or improvements (or the plans therefor) shall not constitute a representation or warranty by Landlord, nor Landlord's acceptance, that the same comply with sound architectural and/or engineering practices or with all applicable Laws, and Tenant shall be solely responsible for ensuring all such compliance.

(b) Repairs; Maintenance. Tenant shall maintain the Premises in a clean, safe, and operable condition, and shall not permit or allow to remain damage to any portion of the Premises that renders the same unclean, unsafe or in an inoperable condition. Tenant shall maintain its own equipment and the Premises in a clean and safe manner.

(c) Performance of Work. Any work that requires alteration to the Premises must be approved in writing by Landlord (except for repair work performed pursuant to Section 7), which approval will not be unreasonably withheld or delayed. Any work to the building structures in the Premises or building systems require additional approval in writing by Landlord and/or Landlord's engineer.

(d) Mechanic's Liens. All work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party shall be deemed authorized and ordered by Tenant only, and Tenant shall not permit any mechanic's liens to be filed against the Premises in connection therewith. Upon completion of any such work, Tenant shall deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work. If a lien is filed, then Tenant shall, within ten days after Landlord has delivered notice of the filing thereof to Tenant (or earlier, as necessary to prevent the forfeiture of the Premises or any interest of Landlord therein or the imposition of any fine with respect thereto), either (1) pay the amount of the lien and cause the lien to be released of record, or (2) diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten days after Landlord has invoiced Tenant therefor. Landlord and Tenant acknowledge and agree that their relationship is and shall be solely that of "landlord-tenant" (thereby excluding a relationship of "owner-contractor," "owner-agent" or other similar relationships). Accordingly, all materialmen, contractors, artisans, mechanics, laborers and any other persons now or hereafter contracting with Tenant, any contractor or subcontractor of Tenant or any other Tenant Party for the furnishing of any labor, services, materials, supplies or equipment with respect to any portion of the Premises

during the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same. Nothing herein shall be deemed a consent by Landlord to any liens being placed upon the Premises or Landlord's interest therein due to any work performed by or for Tenant or deemed to give any contractor or subcontractor or materialman any right or interest in any funds held by Landlord to reimburse Tenant for any portion of the cost of such work.

9. **Utilities.** Landlord shall not be liable for any interruption or failure of utility service to the Premises, and such interruption or failure of utility service shall not be a constructive eviction of Tenant, constitute a breach of any implied warranty, or, except as provided in the next sentence, entitle Tenant to any abatement of Tenant's obligations hereunder. If, however, Tenant is prevented from using the Premises for more than ten (10) consecutive business days because of the unavailability of any such utility service(s) and such unavailability was caused by Landlord actions or inactions, its agents, employees or contractors, then Tenant is entitled to a reasonable abatement of Rent for each day that Tenant is so prevented from using the Premises. Rent shall not abate by reason of the interruption, insufficiency, unavailability or discontinuance of such service if such unavailability or discontinuance was not caused by Landlord, its agents, employees or contractors and restoration of such service is not within the reasonable control of Landlord.

10. **Use and Compliance with Law.**

(a) **Use.** Tenant shall use the Premises only for the Permitted Use and shall comply with all Laws and the Rules and Regulations relating to this Lease and/or the use, condition, access to, and occupancy of the Premises and will not commit waste. The Premises shall not be used for any use which creates extraordinary fire hazards, or results in an increased rate of insurance on the Building or its contents, or for the storage of any Hazardous Materials (except as provided in Section 22 hereto). Tenant shall conduct its business and control each other Tenant Party so as not to create any nuisance or unreasonably interfere with other tenants or Landlord in its management of the Premises.

(b) **Compliance with Law.** If, as a result of one or more Laws, it is necessary from time to time during the Lease Term to perform an alteration or modification to the Premises (a "**Code Modification**") that is made necessary as a result of the specific use being made by Tenant of the Premises or as a result of any alteration of the Premises by Tenant, such Code Modification shall be the sole and exclusive responsibility of Tenant in all respects; provided, however, that Tenant shall have the right to retract its request to perform a proposed alteration in the event that the performance of such alteration would trigger the requirement for a Code Modification.

11. **Assignment and Subletting.** Neither Landlord nor Tenant may assign, sublet or otherwise transfer any interest in this Lease without the prior written consent of the other, which consent may be withheld in either party's sole discretion.

12. **Insurance; Waivers; Subrogation; Indemnity.**

(a) **Landlord's Insurance.** Throughout the Term of this Lease, Landlord shall maintain, as a minimum, property insurance for the replacement value of the Building, any capital improvements made to the Property, and any fixtures and equipment located in or about the

Premises, including coverage for acts of terrorism (excluding property required to be insured by Tenant), less a commercially-reasonable deductible if Landlord so chooses. The foregoing insurance policy and any other insurance carried by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control, and Tenant shall have no right or claim to any proceeds thereof or any other rights thereunder.

(b) Tenant's Insurance. Throughout the Term of this Lease, Tenant shall maintain, as a minimum, property insurance for the replacement value of Tenant's personal property and equipment located in or about the Premises.

(c) Landlord and Tenant shall at all times during the term of this Agreement provide and maintain the following types of insurance, or self-insurance, protecting the interests of DART and DCTA with limits of liability not less than those specified below.

(1) Workers' compensation insurance, or self-insurance, providing benefits as required under the Workers' Compensation Act of the State of Texas. This insurance must include a Waiver of Subrogation endorsement, waiving the carrier's right of recovery under subrogation from Tenant or Landlord.

(2) Comprehensive automobile liability insurance, or self-insurance, covering all owned, hired, and non-owned vehicles used in connection with the work performed under this Agreement. This insurance must include a Waiver of Subrogation endorsement, waiving the carrier's right of recovery under subrogation from Tenant or Landlord.

(3) Rail liability insurance, through a combination of insured and self-insured insurance programs, will be provided and maintained in force by Landlord and Tenant providing primary insurance coverage during the Term of this Agreement in an amount no less than \$125 Million per occurrence. The insurance policy shall list DART, DCTA, Fort Worth Transportation Authority doing business as Trinity Metro, TEXRail, and Grapevine Vintage Railroad (GVRR) as Named Insureds, and their rail service operators and rail maintenance contractors as Additional Insureds with respect to railroad operations and facilities for Named Insureds covered by the policy. The terms and conditions of the rail liability insurance pooled program are according to the Insurance Memorandum of Understanding between the agencies.

(4) Claim Handling. Landlord and Tenant will each handle its own claims under property insurance, workers' compensation insurance, and comprehensive automobile insurance. With respect to rail liability insurance, all claims will be reported by Tenant (as first Named Insured) on its behalf and Landlord's behalf, when applicable and in coordination with Landlord.

(d) No Subrogation; Waiver of Property Claims. Landlord and Tenant each waives any claim it might have against the other party, including claims against Landlord Party and Tenant Party, for any damage to or theft, destruction, loss, or loss of use of any property, to the extent the same is insured under any property insurance policy described in this Section 12 that covers the Premises, Landlord's or Tenant's fixtures or equipment, personal property, leasehold

improvements, or property required to be insured under the terms hereof, **regardless of whether the negligence of the other party caused such Loss (defined below), but such waiver shall not apply to the extent that the gross negligence or intentional misconduct of the other party caused such Loss.** Each party shall cause its insurance carrier to endorse all applicable policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

(e) **INDEMNITY.** To the extent allowed by law, the Parties agree to **DEFEND, HOLD HARMLESS, AND INDEMNIFY** Landlord Party and Tenant Party from and against all claims, demands, liabilities, causes of action, suits, judgments, damages, and expenses (including reasonable attorneys' fees) arising from or directly related to this Lease and caused by the other Party's gross negligence or intentional wrongdoing. In the event of joint or concurrent negligence or fault, responsibility and indemnity, if any, shall be apportioned in accordance with the laws of the State of Texas. The provisions of this Section shall survive termination or expiration of this Lease. Nothing contained herein shall be deemed to be a waiver of any immunities or defenses available to the Parties, including but not limited to governmental immunity and statutory caps.

13. Fire or Other Casualty.

(a) **Repair Estimate.** If the Premises or the Building are damaged by fire or other casualty (a "**Casualty**"), Landlord shall, within sixty (60) days after such Casualty, deliver to Tenant a good faith estimate (the "**Damage Notice**") of the time needed to repair the damage caused by such Casualty.

(b) **Tenant's Rights.** If a material portion of the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within ninety (90) days after the Casualty occurred, then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

(c) **Landlord's Rights.** If a Casualty damages the Premises or a material portion of the Building and regardless of the extent of damage to the Premises, the damage is not fully covered by Landlord's insurance policies plus applicable deductibles (provided Landlord carries the insurance required hereunder), then Landlord may terminate this Lease by giving written notice of its election to terminate within thirty (30) days after the Damage Notice has been delivered to Tenant.

(d) **Repair Obligation.** If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, Landlord shall not be required to repair or replace any alterations or betterments within the Premises (which shall be promptly and with due diligence repaired and restored by Tenant at Tenant's sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Building. If this Lease is terminated under the provisions of this Section 13, Landlord shall

be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises.

(e) Abatement of Rent. If the Premises are damaged by Casualty, Rent for the portion of the Premises rendered untenable by the damage shall be abated on a reasonable basis from the date of damage until the completion of Landlord's repairs (or until the date of termination of this Lease by Landlord or Tenant as provided above, as the case may be), unless the gross negligence or willful misconduct of a Tenant Party caused such damage, in which case, Tenant shall continue to pay all Rent without abatement.

14. Personal Property Taxes. Landlord and Tenant acknowledge and agree that Landlord and Tenant are tax exempt entities and no taxes are levied or assessed against personal property, furniture, fixtures, equipment, or vehicles placed by Landlord or Tenant at the Premises. Notwithstanding the foregoing, in the event that any taxes are levied in the future against personal property, furniture, fixtures, equipment, or vehicles placed by Landlord or Tenant in the Premises, then each party shall be solely responsible for paying taxes levied against its personal property prior to delinquency.

15. Events of Default. Each of the following occurrences shall be an "Event of Default":

(a) Payment Default. Tenant's failure to pay Rent when due, which failure continues for forty-five (45) days after Landlord has delivered written notice to Tenant that the same is due; however, an Event of Default shall occur hereunder without any obligation of Landlord to give any notice if Tenant fails to pay Rent when due and, during the 12 month interval preceding such failure, Landlord has given Tenant written notice of failure to pay Rent on one or more occasions;

(b) Abandonment. Tenant abandons the Premises for a period of six (6) months or longer;

(c) Insurance. Tenant fails to procure, maintain and deliver to Landlord evidence of the insurance policies and coverages as required under Section 12(a);

(d) Mechanic's Liens. Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's lien filed against the Premises for any work performed, materials furnished, or obligation incurred by or at the request of Tenant, within the time and in the manner required by Section 8(d);

(e) Other Defaults. Either Party's failure to perform, comply with, or observe any agreement or obligation under this Lease and the continuance of such failure for a period of more than sixty (60) days after the non-defaulting Party has delivered written notice thereof to the defaulting Party provided, however, that if the nature of the failure to perform is such that more than sixty (60) days are reasonably required to cure, then such failure to perform shall be deemed to have been cured if the defaulting Party commences such performance within said sixty (60) day period and thereafter diligently pursues such cure to completion within a reasonable time; and

16. Remedies. Upon any Event of Default, the non-defaulting Party may, in addition to all other rights and remedies afforded hereunder or by law or equity, take any one or more of the following actions:

(a) Termination of Lease. Terminate this Lease by giving the defaulting Party written notice thereof, in which event Tenant (if Tenant is the defaulting Party) shall pay to Landlord the sum of all Rent accrued hereunder through the date of termination; or

(b) Perform Acts on Behalf of the Defaulting Party. Perform any act the defaulting Party is obligated to perform under the terms of this Lease (and enter upon the Premises in connection therewith if necessary), without being liable for any claim for damages therefor, except to the extent due to the non-defaulting Party's gross negligence or willful misconduct in performing such obligation, and the defaulting Party shall reimburse the non-defaulting Party on demand for any reasonable expenses which were incurred in thus effecting compliance with the defaulting Party's obligations under this Lease (including, but not limited to, reasonable collection costs and legal expenses), plus interest thereon at the Default Rate.

17. Payment by Tenant; Non-Waiver; Cumulative Remedies.

(a) Payment by Tenant. Upon any Event of Default, Tenant shall pay to Landlord all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in (1) removing and storing Tenant's or any other occupant's property, (2) putting the Premises into the condition required at expiration of the Term, (3) performing Tenant's obligations which Tenant failed to perform, and (4) enforcing, or advising Landlord of, its rights, remedies, and recourses arising out of the default. To the full extent permitted by law, Landlord and Tenant agree the federal and state courts of the state in which the Premises are located shall have exclusive jurisdiction over any matter relating to or arising from this Lease and the parties' rights and obligations under this Lease.

(b) No Waiver. Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding an Event of Default. No waiver by Landlord or Tenant of any violation or breach of any of the terms contained herein shall waive that Party's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of Rent shall not waive Landlord's rights with regard to the remaining portion of the Rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of Rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of Rent shall not constitute an accord and satisfaction of the full amount of the Rent that is due. Further, nothing in this Lease shall be construed as a waiver of either Party's immunities, defenses, or protections, including governmental immunity and statutory caps on damages.

(c) Cumulative Remedies. Any and all remedies set forth in this Lease: (1) shall be in addition to any and all other remedies the non-defaulting Party may have at law or in equity, (2) shall be cumulative, and (3) may be pursued successively or concurrently as the non-defaulting Party may elect. The exercise of any remedy by the non-defaulting Party shall not be deemed an election of remedies or preclude the non-defaulting Party from exercising any other remedies in the future.

18. Surrender of Premises. No act by Landlord shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it is in writing and signed by Landlord. At the expiration or termination of this Lease, Tenant shall deliver to Landlord the Premises with all improvements located therein in good repair and condition, free of Hazardous Materials placed on the Premises during the Term, broom-clean, reasonable wear and tear and Casualty damage not caused by Tenant excepted, and shall deliver to Landlord all keys to the Premises. Provided that no default then exists under this Lease, Tenant may remove all unattached trade fixtures, furniture, and personal property placed in the Premises or elsewhere in the Building by Tenant (but Tenant may not remove any such item which was paid for, in whole or in part, by Landlord or any wiring or cabling unless Landlord requires such removal). Additionally, Tenant shall remove such alterations, additions, improvements, trade fixtures, personal property, equipment, wiring, conduits, cabling, and furniture as Landlord requests; however, Tenant shall not be required to remove any addition or improvement to the Premises if Landlord has specifically agreed in writing that the improvement or addition in question need not be removed. Tenant shall repair all damage caused by such removal. All items not so removed shall, at Landlord's option, be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items; any such disposition shall not be considered a strict foreclosure or other exercise of Landlord's rights in respect of the security interest granted under Section 20. The provisions of this Section 18 shall survive the end of the Term.

19. Holding Over. If Tenant fails to vacate the Premises at the end of the Term, then Tenant shall be a tenant at sufferance and, (a) Tenant shall pay Rent at an amount equal to 125% of the Rent payable during the last month of the Term, and (b) be subject to all of Tenant's obligations under this Lease. The provisions of this Section shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law.

20. Certain Rights Reserved by Landlord. Provided that the exercise of such rights does not unreasonably interfere with Tenant's occupancy of the Premises, Landlord shall have the following rights:

(a) **Building Operations.** To make inspections, repairs, alterations, additions, changes, or improvements, whether structural or otherwise, in and about the Premises, and during the continuance of any such work, to temporarily close doors, entryways, public space, and corridors in the Building; to interrupt or temporarily suspend Building services and facilities; to change the name of the Building; and to change the arrangement and location of entrances or passageways, doors, and doorways, corridors, elevators, stairs, restrooms, or other public parts of the Building;

(b) **Security.** To take such reasonable measures as Landlord deems advisable for the security of the Building and its occupants; evacuating the Building for cause, suspected cause, or for drill purposes; temporarily denying access to the Building upon not less than 24 hours' prior written notice; and closing the Building after normal business hours and on Sundays and holidays, subject, however, to Tenant's right to enter when the Building is closed after normal business hours under such reasonable regulations as Landlord may prescribe from time to time;

21. Miscellaneous.

(a) Landlord's Liability. The liability of Landlord (and its partners, members) to Tenant (or any person or entity claiming by, through or under Tenant) for any default by Landlord under the terms of this Lease or any matter relating to or arising out of the occupancy or use of the Premises and/or other areas of the Building shall be limited to Tenant's actual direct, but not consequential damages therefor, and Landlord (and its partners, or members) shall not be personally liable for any deficiency. The provisions of this Section shall survive any expiration or termination of this Lease.

(b) Force Majeure. Other than the Parties' obligations under this Lease that can be performed by the payment of money (e.g., payment of Rent and maintenance of insurance), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, terrorist acts or activities, or governmental laws, regulations, or restrictions — to the extent such causes are beyond the reasonable control of such party.

(c) Notices. All notices and other communications given pursuant to this Lease shall be in writing and shall be (1) mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified in the Basic Lease Information, (2) hand delivered to the intended addressee, (3) sent by a nationally recognized overnight courier service, or (4) sent by electronic mail during normal business hours followed by a confirmatory letter sent in another manner permitted hereunder. All notices shall be effective upon delivery to the address of the addressee (even if such addressee refuses delivery thereof). The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

(d) Separability. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this Lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

(e) Amendments; Binding Effect; No Electronic Records. This Lease may not be amended except by instrument in writing signed by Landlord and Tenant. No provision of this Lease shall be deemed to have been waived by either Party unless such waiver is in writing signed by the waiving Party, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of a Party to this Lease to insist upon the performance by the other Party in strict accordance with the terms hereof. The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided. This Lease is for the sole benefit of Landlord and Tenant, and, no third party shall be deemed a third party beneficiary hereof.

(f) Entire Agreement. This Lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and

prior writings relating thereto. Except for those set forth in this Lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection therewith. The normal rule of construction that any ambiguities be resolved against the drafting party shall not apply to the interpretation of this Lease or any exhibits or amendments hereto.

(g) Governing Law. This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located. Venue is proper in Denton County, Texas.

(h) Recording. Tenant shall not record this Lease or any memorandum of this Lease without the prior written consent of Landlord, which consent may be withheld or denied in the sole and absolute discretion of Landlord, and any recordation by Tenant without such consent shall be a material breach of this Lease.

(i) Water or Mold Notification. To the extent Tenant or its agents or employees discover any water leakage, water damage or mold in or about the Premises, Tenant shall promptly notify Landlord thereof in writing.

(j) Telecommunications. Tenant and its telecommunications companies, including local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to and within the Building for the installation and operation of telecommunications systems, including voice, video, data, Internet, and any other services provided over wire, fiber optic, microwave, wireless, and any other transmission systems ("**Telecommunications Services**"), for part or all of Tenant's telecommunications within the Building and from the Building to any other location without Landlord's prior consent, not to be unreasonably withheld. All providers of Telecommunications Services shall be required to comply with the rules and regulations of the Building, applicable Laws and Landlord's policies and practices for the Building. Tenant acknowledges that Landlord shall not be required to provide or arrange for any Telecommunications Services and that Landlord shall have no liability to any Tenant Party in connection with the installation, operation or maintenance of Telecommunications Services or any equipment or facilities relating thereto. Tenant, at its cost and for its own account, shall be solely responsible for obtaining all Telecommunications Services and no costs for Telecommunications Services shall be included in Tenant's Proportionate Share of Operating Costs.

22. Environmental Requirements.

(a) Prohibition against Hazardous Materials. Except for Hazardous Materials contained in products used by Tenant in de minimis quantities for ordinary cleaning and office purposes, Tenant shall not permit or cause any party to bring any Hazardous Materials upon the Premises or transport, store, use, generate, manufacture, dispose, or release any Hazardous Materials on or from the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in strict compliance with all Environmental Requirements and all requirements of this Lease. Tenant shall complete and certify to disclosure statements as requested by Landlord from time to time relating to Tenant's transportation, storage, use, generation, manufacture, or release of Hazardous Materials on the

Premises, and Tenant shall promptly deliver to Landlord a copy of any notice of violation relating to the Premises of any Environmental Requirement.

(b) Environmental Requirements. The term "**Environmental Requirements**" means all Laws regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment including the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Clean Air Act; the Clean Water Act; the Toxic Substances Control Act and all state and local counterparts thereto. The term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant that is or could be regulated under any Environmental Requirement or that may adversely affect human health or the environment, including any solid or hazardous waste, hazardous substance, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, synthetic gas, polychlorinated biphenyls (PCBs), and radioactive material). For purposes of Environmental Requirements, to the extent authorized by law, Tenant is and shall be deemed to be the responsible party for all Hazardous Materials brought on the Premises by a Tenant Party and the wastes, by-products, or residues generated, resulting, or produced therefrom.

(c) Removal of Hazardous Materials. Tenant, at its sole cost and expense, shall remove all Hazardous Materials stored, disposed of or otherwise released by a Tenant Party onto or from the Premises, in accordance with applicable Law and in no event to a level and in a manner less than that which complies with all Environmental Requirements and does not limit any future uses of the Premises or require the recording of any deed restriction or notice regarding the Premises. Tenant shall perform such work at any time during the period of this Lease upon written request by Landlord or, in the absence of a specific request by Landlord, before Tenant's right to possession of the Premises terminates or expires. If Tenant fails to perform such work within the time period specified by Landlord or before Tenant's right to possession terminates or expires (whichever is earlier), Landlord may at its reasonable discretion, and without waiving any other remedy available under this Lease or at law or equity (including an action to compel Tenant to perform such work), perform such work at Tenant's cost. Tenant shall pay all reasonable costs incurred by Landlord in performing such work within thirty (30) days after Landlord's request therefor. Such work performed by Landlord is on behalf of Tenant and Tenant remains the owner, generator, operator, transporter, and/or arranger of the Hazardous Materials for purposes of Environmental Requirements. Tenant agrees not to enter into any agreement with any person, including any governmental authority, regarding the removal of Hazardous Materials that have been disposed of or otherwise released onto or from the Premises without the written approval of the Landlord, which shall not be unreasonably withheld or delayed.

(d) Tenant's Hazardous Materials Indemnity. To the extent permitted by applicable Laws and without waiving any immunities or defenses, Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all losses (including diminution in value of the Premises and loss of rental income), liabilities (INCLUDING ANY STRICT LIABILITY), claims, demands, actions, suits, damages, expenses (including remediation, removal, repair, corrective action, or cleanup expenses), and costs (including reasonable attorneys' fees, consultant fees or expert fees, except as provided in the Dispute Resolution paragraph below, and including removal or management of any asbestos brought into the Premises or disturbed in breach of the requirements of this Section 22, regardless of whether such removal or management is required by

Law) which are brought or recoverable against, or suffered or incurred by Landlord as a direct result of any release of Hazardous Materials or any breach of the requirements under this Section 22 by a Tenant Party regardless of whether Tenant had knowledge of such noncompliance.

(e) Dispute Resolution. In the event of a disagreement between Landlord and Tenant regarding the existence, origin, or cause of Hazardous Materials, or the proportion of responsibility for Hazardous Materials, Landlord and Tenant shall engage a neutral, reputable environmental firm (mutually agreeable to both parties) to investigate, formulate conclusions, and prepare a report. Landlord and Tenant shall share the costs of the environmental firm's services equally. The environmental firm's determination shall be conclusive with respect to Tenant's obligations under this Section 22, unless and until a decision apportioning responsibility with respect to the Hazardous Materials is rendered by a court of law, regulatory agency, or other governing body with competent jurisdiction.

(f) Inspections and Tests. Landlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Tenant's compliance with Environmental Requirements, its obligations under this Section 22, or the environmental condition of the Premises. Such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal that Tenant has not complied with any Environmental Requirement, in which case Tenant shall reimburse Landlord for the reasonable cost of such inspection and tests. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant. Tenant shall promptly notify Landlord of any communication or report that Tenant makes to any governmental authority regarding any possible violation of Environmental Requirements or release or threat of release of any Hazardous Materials onto or from the Premises. Tenant shall, within five days of receipt thereof, provide Landlord with a copy of any documents or correspondence received from any governmental agency or other party relating to a possible violation of Environmental Requirements or claim or liability associated with the release or threat of release of any Hazardous Materials onto or from the Premises. Tenant shall not undertake, nor shall Tenant permit any Tenant Party to undertake, any invasive investigation, drilling or sampling of the soil or groundwater at the Premises without the prior written consent of Landlord, which consent shall in Landlord's sole discretion and shall not be unreasonably withheld or delayed. The obligations of Tenant under this Section 22 shall survive any expiration or termination of this Lease.

23. Parking. Tenant shall have the non-exclusive right, in common with Landlord and other tenants of the Premises to use such parking spaces associated with the Premises. Landlord reserves the right to initiate steps to control the parking utilization through gates, access cards, hang-tags or other means as appropriate. Tenant shall have the non-exclusive right to use the vehicular parking spaces at the Premises at no charge to Tenant.

24. Disclaimer of Warranty. LANDLORD AND TENANT EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT'S INTENDED PURPOSE, AND TENANT'S OBLIGATION TO PAY RENT HEREUNDER IS AN INDEPENDENT COVENANT AND IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES.

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This Lease is executed to be effective as of the Effective Date.

LANDLORD: **DENTON COUNTY TRANSPORTATION AUTHORITY**

By: _____
Paul Cristina, Chief Executive Officer
(FINAL 10-07-2022: TM 131826)

TENANT: **DALLAS AREA RAPID TRANSIT**

By: _____
Deanna Leggett, Vice President
Growth & Regional Development

EXHIBIT A SITE PLAN

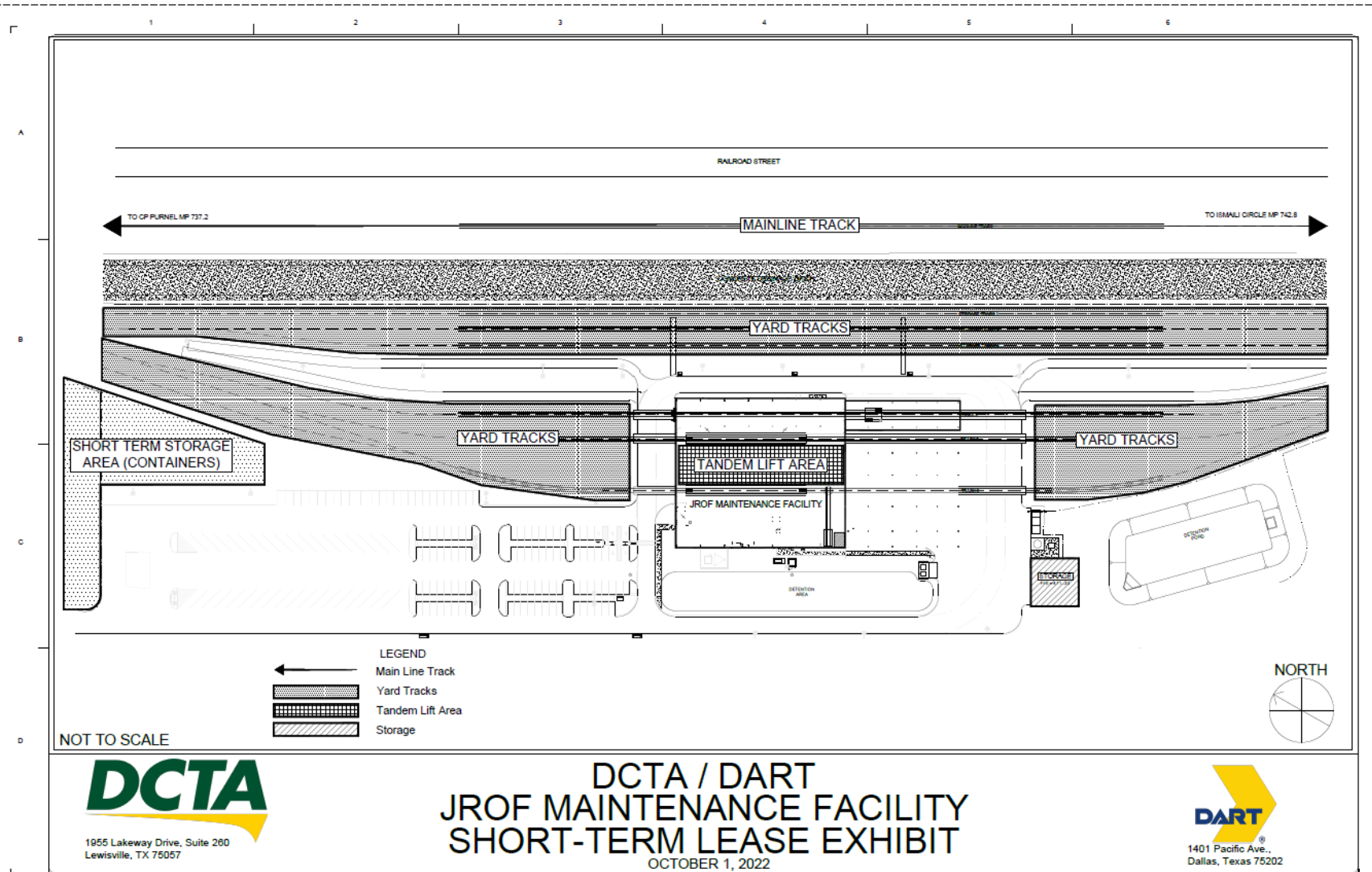


Exhibit B1

Operating Plan Before Silverline Revenue Service

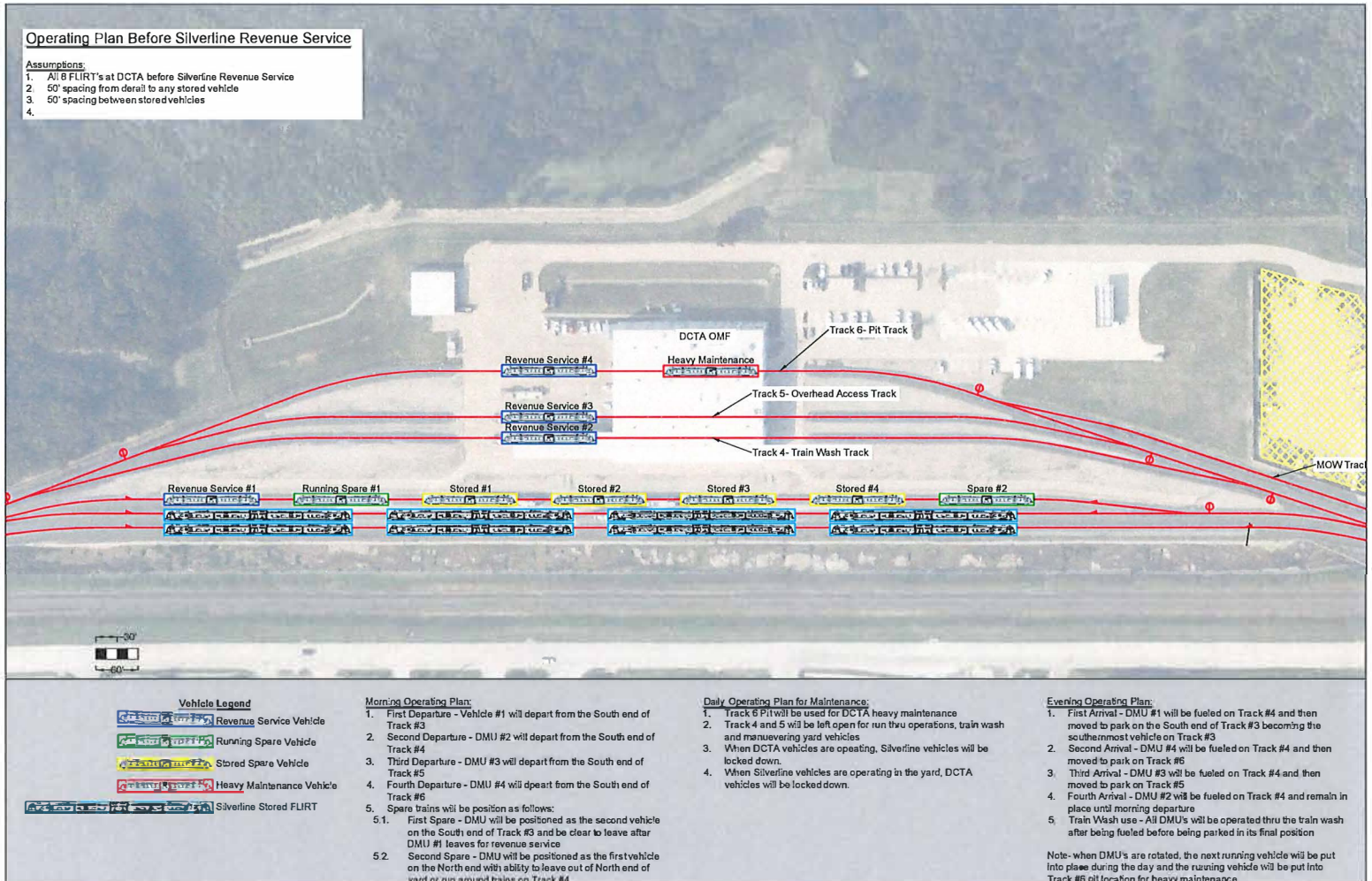


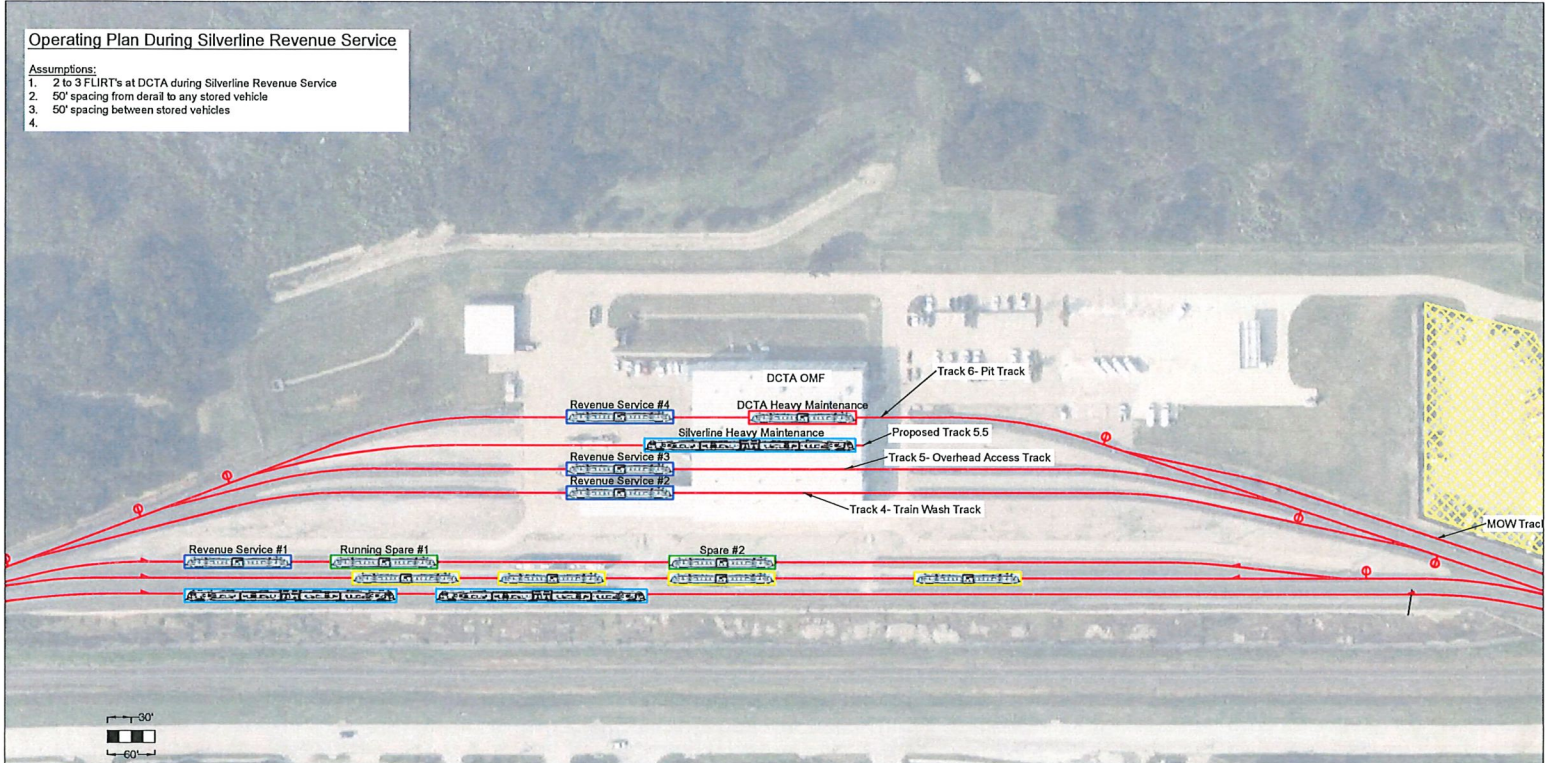
Exhibit B2

Operating Plan During Silverline Revenue Service

Operating Plan During Silverline Revenue Service

Assumptions:

1. 2 to 3 FLIRT's at DCTA during Silverline Revenue Service
2. 50' spacing from derailed to any stored vehicle
3. 50' spacing between stored vehicles
- 4.



Vehicle Legend

- Revenue Service Vehicle
- Running Spare Vehicle
- Stored Spare Vehicle
- Heavy Maintenance Vehicle
- Silverline Stored FLIRT

Morning Operating Plan:

1. First Departure - Vehicle #1 will depart from the South end of Track #3
2. Second Departure - DMU #2 will depart from the South end of Track #4
3. Third Departure - DMU #3 will depart from the South end of Track #5
4. Fourth Departure - DMU #4 will depart from the South end of Track #6
5. Spare trains will be positioned as follows:
 - 5.1. First Spare - DMU will be positioned as the second vehicle on the South end of Track #3 and be clear to leave after DMU #1 leaves for revenue service
 - 5.2. Second Spare - DMU will be positioned as the first vehicle on the North end with ability to leave out of North end of yard or run around trains on Track #4

Daily Operating Plan for Maintenance:

1. Track 6 Pit will be used for DCTA heavy maintenance
2. Track 5.5 Pit will be used for Silverline heavy maintenance
3. Track 4 will be left open for run thru operations and train wash
4. When DCTA vehicles are operating, Silverline vehicles will be locked down.
5. When Silverline vehicles are operating in the yard, DCTA vehicles will be locked down.

Evening Operating Plan:

1. First Arrival - DMU #1 will be fueled on Track #4 and then moved to park on the South end of Track #3 becoming the southernmost vehicle on Track #3
2. Second Arrival - DMU #4 will be fueled on Track #4 and then moved to park on Track #6
3. Third Arrival - DMU #3 will be fueled on Track #4 and then moved to park on Track #5
4. Fourth Arrival - DMU #2 will be fueled on Track #4 and remain in place until morning departure
5. Train Wash use - All DMU's will be operated thru the train wash after being fueled before being parked in its final position

Note-when DMU's are rotated, the next running vehicle will be put into place during the day and the running vehicle will be put into Track #6 pit location for heavy maintenance.

AGREEMENT FOR A-TRAIN OPERATIONS AND MAINTENANCE

Amendment No. 1

WHEREAS, Denton County Transportation Authority (“DCTA”) and Rio Grande Pacific Corporation (“RGPC”) are parties to an agreement entitled “AGREEMENT FOR A-TRAIN OPERATIONS AND MAINTENANCE”.

WHEREAS, pursuant to said agreement RGPC provides services to operate and maintain the “A” train for DCTA.

WHEREAS, Dallas Area Rapid Transit (“DART”) and DCTA have entered into a lease whereby DART will store Fast Light Industry and Regional Train (“FLIRT”) vehicles at DCTA’s Operations and Maintenance Facility (“OMF”) and related track and shall have non-exclusive rights on the mainline track, all of which is currently utilized by RGPC for the “A” train operations and maintenance.

WHEREAS, DCTA and RGPC desire to facilitate the use by DART under the terms of the lease between DCTA and DART.

NOW, THEREFORE, in consideration of the above listed factors, DCTA and RGPC hereby agree as follows:

1. DCTA waives any claim against RGPC for any damage, theft, vandalism, loss or loss of use to any property of DART, and in particular the FLIRT vehicles on the premises of DCTA pursuant to the DCTA-DART lease agreement.
2. DCTA hereby agrees that it will obtain from DART, as part of the aforementioned lease agreement, a waiver of subrogation in favor of RGPC while the FLIRT vehicles are in the care, custody or control of RGPC.

DENTON COUNTY TRANSPORTATION AUTHORITY

By: _____

Paul Cristina, President and Chief Executive Officer

Date: _____

RIO GRANDE PACIFIC CORPORATION

By: _____

Robert L. Bach, President and Chief Operating Officer

Date: _____