



February 7, 2018

## SamTrans Committee & Board Meetings

[COMMUNITY RELATIONS COMMITTEE LINK](#)

[FINANCE COMMITTEE LINK](#)

[STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE LINK](#)

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## A G E N D A

### COMMUNITY RELATIONS COMMITTEE COMMITTEE OF THE WHOLE (Accessibility, Senior Services, and Community Issues)

San Mateo County Transit District  
Bacciocco Auditorium - Second Floor  
1250 San Carlos Ave., San Carlos, CA

WEDNESDAY, FEBRUARY 7, 2018 – 2:00 p.m.

1. Call to Order
2. Pledge of Allegiance

#### ACTION

3. Approval of Minutes of Community Relations Committee Meeting of January 3, 2018

#### INFORMATIONAL

4. Accessibility Update – Tina Dubost
5. Paratransit Coordinating Council Update – Mike Levinson
6. Citizens Advisory Committee Liaison Report
7. Mobility Management Report – Bus Technology
8. Multimodal Ridership Report – December 2017
9. Adjourn

Committee Members: Peter Ratto, Carole Groom, Rose Guilbault

#### NOTE:

- This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

**MINUTES OF COMMUNITY RELATIONS COMMITTEE (CRC) MEETING  
COMMITTEE OF THE WHOLE  
JANUARY 3, 2018~~7~~**

Committee Members Present: Z. Kersteen-Tucker (Committee Chair), P. Ratto

Committee Member Absent: J. Powell

Other Board Members Present: Constituting Committee of the Whole: R. Guilbault, D. Pine, C. Stone

Other Board Members Absent: J. Gee, C. Groom, K. Matsumoto

Staff Present: J. Cassman, A. Chan, T. Dubost, C. Gumpal, J. Hartnett, M. Martinez, C. Mau, S. Murphy, D. Olmeda, S. Van Hoften

Committee Chair Zoe Kersteen-Tucker called the meeting to order at 2:03 p.m.

**Approval of Minutes of December 6, 2017**

Motion/Second: Stone/Guilbault

Ayes: Guilbault, Kersteen-Tucker, Pine, Ratto, Stone

Absent: Gee, Groom, Matsumoto, Powell

**Accessibility Update**

Tina Dubost, Manager, Accessible Transit Services, reported that staff attended the Coastside Transportation Committee meeting last week and topics included an update Get Us Moving, concern with the 5311 Program, service statistics and upcoming bus service changes.

**Paratransit Coordinating Council (PCC) Update**

Mike Levinson, Chair, Paratransit Coordinating Council, said the committee is finalizing their two year program for approval at their next meeting. They are expanding their education presentations to five this year. At their December meeting the Committee approved the membership of Alex Madrid who works for the Center of Independence of Individuals with Disabilities.

**Multimodal Ridership Report – November 2017**

Mr. Olmeda reported:

Average Weekday Ridership – November 2017 compared to November 2016

- o Grand Total – 160,940, a decrease of 0.9 percent
- o Bus – 37,830, a decrease of 9.0 percent
- o Paratransit – 1,230, a decrease of 0.8 percent
- o Shuttles – 11,780 a decrease of 7.8 percent
- o Caltrain – 61,740, an increase of 8.2 percent

The rate of decline of ridership is flattening and staff will continue to monitor the performance of all systems. A new Run Book will take effect this month, January.

Adjourned at 2:09 PM

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Community Relations Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **ACCESSIBILITY REPORT**

**ACTION**

This item is for information only. No action is required.

**SIGNIFICANCE**

Several groups advise SamTrans on accessible service issues. The Paratransit Coordinating Council (PCC) provides a forum for consumer input on paratransit issues. The Advocacy and Legislative Committee (AL-Com) is the advocacy arm of the PCC.

The PCC and the PAL (PCC AL-Com) meet monthly (except for August).

The minutes of the December 12, 2017 PCC and PAL meetings are attached to this report.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

No Additional Information.

Prepared By: John Sanderson, Accessibility Coordinator 650-508-6475  
Project Manager: Tina Dubost, Manager, Accessible Transit Services 650-508-6247

**SAN MATEO COUNTY  
PARATRANSIT COORDINATING COUNCIL (PCC)**

**MEETING MINUTES  
December 12, 2017**

**ATTENDANCE:** Members Present: Mike Levinson, Chair; Dinae Cruise, Vice-Chair; Sammi (Wilhelmina) Riley, Consumer; Aki Eejima, Consumer; Nancy Keegan; Sutter Health Senior Focus; Tina Dubost, SamTrans; Judy Garcia, Consumer; Sandra Lang, COA; Benjamin McMullan, Center for Independence of Individuals with Disabilities; Dale Edwards, Consumer; Monica Colondres, Community Resident; Valerie Campos, Vista Center for the Blind; Alex Madrid, Center for Independence of Individuals with Disabilities; Marie Violet, Dignity Health;

**GUESTS:** Richard Weiner, Nelson-Nygaard; Lorna Rodriguez-Wong, PCC Staff; Ashish John, SamTrans; Lynn Spicer; First Transit; Craig McCulloh, San Mateo County Commission on Disabilities; Carmen Santoni, Catholic Charities; Gio (Giovanni) Guadagnini, Consumer; Richard Sakamoto, Consumer

**ABSENTEES:** Barbara Kalt, Rosener House; Susan Capeloto, Department of Rehabilitation

(Member Attendance 14, Quorum—Yes)

**WELCOME/INTRODUCTION:**

Mike called the meeting to order at 1:37 p.m. and welcomed all to the PCC Meeting.

**APPROVAL OF THE NOVEMBER MINUTES:**

Dinae Cruise motioned to approve the November meeting minutes and Sandra Lang seconded the motion. The minutes were approved without changes.

**COMMITTEE REPORTS**

**A. POLICY ADVOCACY- LEGISLATIVE COMMITTEE (PAL)**

Jessica Epstein, SamTrans, reported that Regional Measure 3, the State legislative measure, is going to the ballot. This measure proposes increasing the toll for all Bay Area bridges except the Golden Gate Bridge by \$3. Some of the money that would be raised by this increase has been pre-designated as follows: \$325 million to the Caltrain extension to the Transbay Terminal, \$100 million to the San Jose Diridon Station, \$130 million Dumbarton transportation corridor, \$51 million to the 101 project and 101 to 92 NTA designation. This measure is planned for the June 2018 ballot. It will need a simple majority from 9

Bay Area Counties. Due to a change in the political climate, it is not clear if this will happen in June 2018.

Efforts are being made to repeal SB1, the new gas tax. These efforts are well funded as they will require 540,000 signatures to go to ballot. The group behind the campaign is using paid employees to obtain the signatures required. The threshold for signatures is higher due to the fact that the direction is to not only repeal the gas tax but also place a constitutional amendment to block future attempts for this gas tax to return.

The likelihood of this repeal appearing on the June ballot is high. Regional Measure 3 is from another funding source and does not require signatures to be placed on the ballot.

Cory Wolbach, Outreach Manager for Get Us Moving San Mateo County, gave a presentation on the Get Us Moving SMC project. This project has been developed to obtain feedback from the public based on a survey via mail or on-line submission. Participants can go on to [www.getusmovingsmc.com](http://www.getusmovingsmc.com) to complete the survey or go to [info@getusmovingsmc.com](mailto:info@getusmovingsmc.com) with any questions. Cory will be reaching out to the public in city meetings, community groups, farmer's markets, social media, paid advertising, TV and via their website.

A few questions noted the concern that paratransit was not addressed specifically on this survey. The answer from both Jessica and Tina was that paratransit was part of the entire transit system. Jessica noted that there were restrictions due to space and funding, and that survey print material had already been completed but that they would review paratransit again.

Richard asked what survey sample return SamTrans was looking for. Out of the 150,000 mailers; Jessica was hoping for at least 1,000 returns, preferably more.

Per Jessica, the SAG and TAG groups were developed to identify the various areas that the community would like addressed. With input from the SAG and TAG meetings, goals and metrics will be developed. An expenditure plan for the proposed tax measure will be developed and presented to the SamTrans Board in the summer of 2018. Then, SamTrans will back out of the process. A privately funded entity will step in to take over and pursue a 2/3 majority in order to get the measure passed.

The next Stakeholders Advisory Group (SAG) meeting is Thursday, February 8<sup>th</sup>.

## **B. GRANT/BUDGET REVIEW**

Barbara was not available for an update.

Tina did not have any further update on the 3 additional cut-away vehicles.

## **C. EDUCATION COMMITTEE**

Sammi reported that the Education Committee met last Friday, December 1, 2017:

The Committee is looking to conduct at least 5 outreach events including Seniors on the Move and an event sponsored by the Center for Independence for Individuals with Disabilities.

The Committee chose the following event giveaway items to order for next year. Flashing reflector light and zip totes. The committee needs to work out the artwork to appear on the items in January. Sammi will order samples. The flashing reflectors would be used at tabling events such as, Seniors on the Move. The zip totes would be used to target consumers at education meeting events.

Sammi suggested adding a presentation at Senior Focus and would consult with Nancy Keegan.

## **D. EXECUTIVE COMMITTEE**

As a representative of the Nominating Committee, Dale nominated Alex Madrid as a new member. Alex Madrid was approved unanimously by the membership. Alex introduced himself as a resident of San Francisco, who works in San Mateo. He is a member of various disabilities organizations.

A draft PCC Work Plan from the October 2017 Retreat was discussed. Copies will be available at the January 9<sup>th</sup> meeting for review and update

### **CONSUMER CORPS:**

#### **A. Quarterly Report for October 1, 2017 to December 31, 2017**

This will be provided at the next meeting

### **SAMTRANS/REDI-WHEELS REPORT:**

#### **A. Operational Report**

Tina reported that MTC has released a document on the draft update to the Coordinated Public Transit-Human Services Transportation Plan. The document addresses how MTC and its partners can provide mobility options for seniors, people with disabilities, veterans and people with low income, while remaining cost effective for the region. Once the plan is adopted, local and regional initiatives will have to be consistent with the document to be funded by MTC. Comments can be submitted to MTC until January 11, 2018. Funding for mobility management was one of the key strategies recommended in the document.

In response to a question regarding how the strategies were rated, Mike indicated that in the past the report used high, medium and low.

## **B. Performance Summary**

Total Trips served in October was up by 2.9%, year-over-year. Average Weekday Ridership is down by 1% but has remained relatively the same. The percentage of trips provided by taxis in October was up 1% from September, at 33%, but down significantly – over 4% – from October of last year. On-time performance was 89.8% which is close to the 90% target. Same day cancels are about the same. Productivity is 1.92 people per hour which is good.

Alex wondered if dispatchers go through sensitivity training. He was concerned about how the dispatcher deals with frustrated callers. Lynn mentioned that many of the dispatchers have been with SamTrans quite a few years. A few may need refresher courses on sensitivity or empathy interaction. Tina stated that SamTrans staff would discuss this issue with the Redi-Wheels General Manager.

## **C. Monthly Redi-Wheels Comment Statistics Report**

Comments information is not available yet due to the comments software update.

## **Safety Report**

Lynn Spicer provided the Safety report:

There were 3 preventable events. The drivers received retraining. One driver was suspended for a time.

## **LIAISON REPORTS:**

### **A. COASTSIDE TRANSPORTATION COMMITTEE (CTC)**

The next CTC meeting is scheduled for December 14th from 9:30-11:00 a.m. at 925 Main Street in Half Moon Bay.

Tina will attend and present information on the Get Us Moving Survey and minor service changes.

### **B. AGENCY**

Nothing to report.

### **C. ERC**

Mike said there is nothing to report

### **D. COMMISSION ON AGING (COA)**

Sandra Lang reported that COA will not meet in December. The next meeting will be at 9am on January 8, 2018 at 225 37<sup>th</sup> Ave, San Mateo.

The Elder Economic Security Index with regard to middle income is available for review. This review validated the problems encountered by middle income seniors who were found to have too much income to qualify for public assistance.

#### **E. COMMISSION ON DISABILITIES (COD)**

Craig McCulloh reported on the Strategic plan for 2020 – Issues on the horizon: Advocacy for consumer forum in July (probably a Thursday). In August: Inclusion festival in a park setting. The COD developing a “report card” for disabled people which will happen sometime in 2018/19

#### **F. CENTER FOR THE INDEPENDENCE OF INDIVIDUALS WITH DISABILITIES (CID)**

Ben is still working on Emergency Preparedness presentations. The CID may have extra funds for more activities. Ben needs to check to see if the grant may have any location restrictions.

#### **OTHER BUSINESS**

Gio brought up a number of issues that Tina has discussed with maintenance. Some of these issues may need to be escalated directly to the SamTrans board.

Gio wanted to inform the membership that the SamTrans 112 line would be effected by construction. This activity will be due for completion in January 2019, near Gateway and Palmetto.

Richard Sakamoto, Consumer, provided a letter he addressed to SamTrans regarding dispatch sensitivity issues.

Dale wondered if there was any Emergency Preparedness feedback for the CID presentations. Ben said that the feedback survey goes to another department. He will follow-up.

The next PAL and PCC meetings will be held on Tuesday, January 9, 2018. The PAL Committee will meet from 11:30 a.m. to 12:30 p.m. and the PCC will meet from 1:30-3:30 p.m.

**MEETING ADJOURNED** at 3:33 p.m.

**. SAN MATEO COUNTY  
PCC POLICY-ADVOCACY-LEGISLATIVE  
(PAL) COMMITTEE**

**MEETING MINUTES  
11:30 a.m.-12:30 p.m.  
December 12, 2017**

**ATTENDANCE:** Members Present: Mike Levinson, Chair; Dinae Cruise, Vice-Chair; Sammi (Wilhelmina) Riley, Consumer; Tina Dubost, SamTrans; Sandra Lang, COA; Benjamin McMullan, Center for Independence of Individuals with Disabilities; Dale Edwards, Consumer; Monica Colondres, Community Resident; Aki Eejima, Consumer; Nancy Keegan; Sutter Health Senior Focus;

**GUESTS:** Richard Weiner, Nelson-Nygaard; Lorna Rodriguez-Wong, PCC Staff; Ashish John, SamTrans; Carmen Santoni, Catholic Charities; Alex Madrid, CID; Lynn Spicer, First Transit; Jessica Epstein, SamTrans; Cory Wolbach, Get Us Moving

**ABSENTEES:** Marie Violet, Sequoia Hospital; Susan Capeloto, Department of Rehabilitation; Barbara Kalt; Rosener House.

**APPROVAL OF NOVEMBER PAL MINUTES:**

Sammie Riley motioned to approve the November meeting minutes and Sandra Lang seconded the motion. The minutes were approved without changes.

**LEGISLATIVE UPDATES:**

Jessica Epstein, SamTrans, reported that Regional Measure 3, the State legislative measure, is going to the ballot. This measure proposes increasing the toll for all Bay Area bridges except the Golden Gate Bridge by \$3. Some of the money that would be raised by this increase has been pre-designated as follows: \$325 million to the Caltrain extension to the Transbay Terminal, \$100 million to the San Jose Diridon Station, \$130 million Dumbarton transportation corridor, \$51 million to the 101 project and 101 to 92 NTA designation. This measure is planned for the June 2018 ballot. It will need a simple majority from 9 Bay Area Counties. Due to a change in the political climate, it is not clear if this will happen in June 2018.

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The likelihood of this repeal appearing on the June ballot is high. Regional Measure 3 is from another funding source and does not require signatures to be placed on the ballot.

**LOCAL ADVOCACY ISSUES—OPEN DISCUSSION:**

Cory Wolbach, Outreach Manager for Get Us Moving San Mateo County, gave a presentation on the Get Us Moving SMC project. This project has been developed to obtain feedback from the public based on a survey via mail or on-line submission. Participants can go on to [www.getusmovingsmc.com](http://www.getusmovingsmc.com) to complete the survey or go to [info@getusmovingsmc.com](mailto:info@getusmovingsmc.com) with any questions. Cory will be reaching out to the public in city meetings, community groups, farmer's markets, social media, paid advertising, TV and via their website.

A few questions noted the concern that paratransit was not addressed specifically on this survey. The answer from both Jessica and Tina was that paratransit was part of the entire transit system. Jessica noted that there were restrictions due to space and funding, and that survey print material had already been completed but that they would review paratransit again.

Richard asked what survey sample return SamTrans was looking for. Out of the 150,000 mailers; Jessica was hoping for at least 1,000 returns, preferably more.

Per Jessica, the SAG and TAG groups were developed to identify the various areas that the community would like addressed. With input from the SAG and TAG meetings, goals and metrics will be developed. An expenditure plan for the proposed tax measure will be developed and presented to the SamTrans Board in the summer of 2018. Then, SamTrans will back out of the process. A privately funded entity will step in to take over and pursue a 2/3 majority in order to get the measure passed.

The next Stakeholders Advisory Group (SAG) meeting is Thursday, February 8<sup>th</sup>.

**OTHER BUSINESS:**

The PCC will meet today from 1:30-3:30 p.m.

The next PAL meeting is scheduled for Tuesday, February 13, 2018 from 11:30 a.m. to 12:30 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Community Relations Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **MULTIMODAL RIDERSHIP REPORT – DECEMBER 2017**

**ACTION**

This report is for information only. No action is required.

**SIGNIFICANCE**

Table "A" summarizes the average weekday ridership (AWR) statistics for all modes of transportation for which SamTrans is responsible and Table "B" summarizes the total monthly ridership figures for all SamTrans transportation modes. Chart "A" features year-to-date comparisons of AWR for Fiscal Year (FY) 2016, FY2017, and FY2018. Chart "B" has figures for total ridership year-to-date for FY2016, FY2017, and FY2018.

Tables "A" and "B" also provide the corresponding data for the Bay Area Rapid Transit San Francisco International Airport Extension as a separate line.

Table "C" details the number of riders for each fare category for SamTrans fixed route for the month and calendar year-to-date.

Table "D" provides additional information regarding SamTrans performance standards, including Average Weekday Ridership, On-Time Performance, and Token Usage (adult and youth).

**AVERAGE WEEKDAY RIDERSHIP – DECEMBER 2017 COMPARED TO DECEMBER 2016**

**Grand Total** – 146,700, a decrease of 0.1 percent

**Bus** – 35,390, a decrease of 2.1 percent

**Paratransit** – 1,150, an increase of 4.5 percent

**Shuttles** – 9,730 a decrease of 1.7 percent

**Caltrain** – 55,750, an increase of 6.0 percent

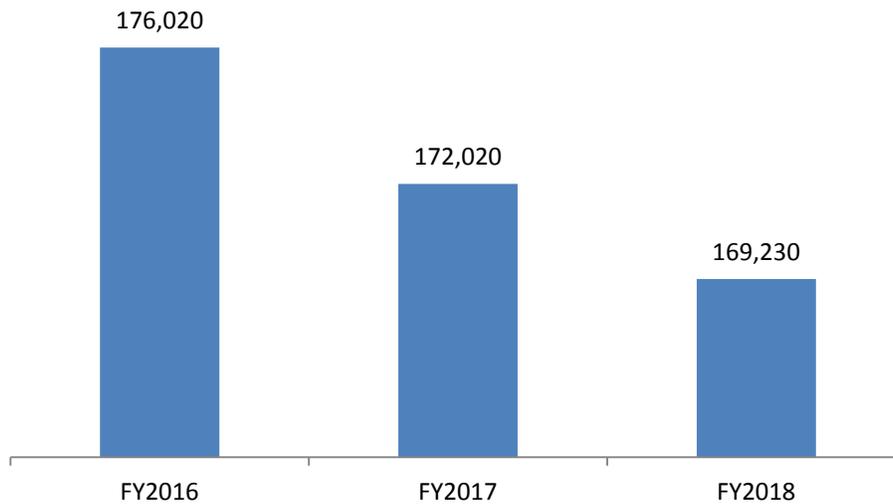
**Table A  
Average Weekday Ridership**

December 2017 Average Weekday Ridership				Percent Change FY2016/2017
Mode	FY2016	FY2017	FY2018	
Bus*	38,200	36,150	35,390	-2.1%
Paratransit*	1,140	1,100	1,150	4.5%
Shuttles	8,420	9,900	9,730	-1.7%
Caltrain**	51,660	52,400	55,570	6.0%
<b>Total</b>	<b>99,420</b>	<b>99,560</b>	<b>101,840</b>	<b>2.3%</b>
BART Extension (No Daly City)	48,700	47,230	44,860	-5.0%
<b>Grand Total</b>	<b>148,120</b>	<b>146,800</b>	<b>146,700</b>	<b>-0.1%</b>
<b>Weekdays</b>	<b>22</b>	<b>21</b>	<b>20</b>	

December 2017 Year-to-date				Percent Change FY2016/2017
Mode	FY2016	FY2017	FY2018	
Bus*	42,480	39,680	37,420	-5.7%
Paratransit*	1,200	1,230	1,230	0.0%
Shuttles	11,030	12,100	11,640	-3.8%
Caltrain**	59,840	58,750	60,920	3.7%
<b>Total</b>	<b>114,550</b>	<b>111,750</b>	<b>111,210</b>	<b>-0.5%</b>
BART Extension (No Daly City)	61,470	60,270	58,020	-3.7%
<b>Grand Total</b>	<b>176,020</b>	<b>172,020</b>	<b>169,230</b>	<b>-1.6%</b>

\* Demand-Response ridership is now reported in the Bus Ridership Category instead of Paratransit

**Chart A  
Grand Total Average Weekday Ridership (FYTD)**



The following summary and figures include total ridership for all modes of transportation for which SamTrans is responsible. These numbers are a gross count of each boarding across all modes and all service days for the month of December for the past three fiscal years.

**MONTHLY TOTAL RIDERSHIP – DECEMBER 2017 COMPARED TO DECEMBER 2016**

**Grand Total** – 3,617,330 a decrease of 3.3 percent

**Bus** – 882,440, a decrease of 4.5 percent

**Paratransit** – 27,960, a decrease of 1.2 percent

**Shuttles** – 196,420, a decrease of 7.2 percent

**Caltrain** – 1,422,010, an increase of 1.5 percent

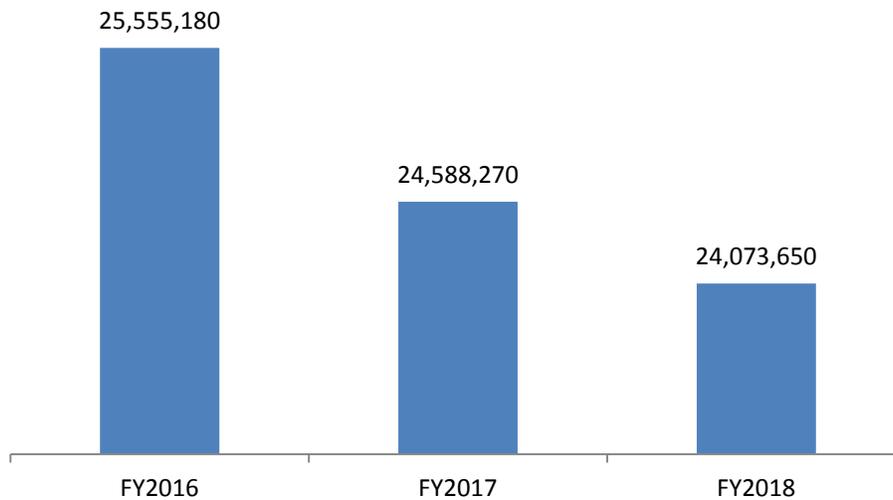
**Table B  
Total Monthly Ridership**

December 2017 Total Monthly Ridership				Percent Change FY2016/2017
Mode	FY2016	FY2017	FY2018	
Bus*	997,640	923,820	882,440	-4.5%
Paratransit*	28,280	28,310	27,960	-1.2%
Shuttles	186,980	211,710	196,420	-7.2%
Caltrain**	1,408,820	1,401,300	1,422,010	1.5%
<b>Total</b>	<b>2,621,720</b>	<b>2,565,140</b>	<b>2,528,830</b>	<b>-1.4%</b>
BART Extension (No Daly City)	1,246,900	1,177,570	1,088,500	-7.6%
<b>Grand Total</b>	<b>3,868,630</b>	<b>3,742,700</b>	<b>3,617,330</b>	<b>-3.3%</b>
<b>Weekdays</b>	<b>22</b>	<b>21</b>	<b>20</b>	

December 2017 Year-to-date				Percent Change FY2016/2017
Mode	FY2016	FY2017	FY2018	
Bus*	6,558,050	6,074,130	5,721,370	-5.8%
Paratransit*	175,790	181,010	180,920	0.0%
Shuttles	1,419,290	1,534,800	1,479,500	-3.6%
Caltrain**	9,595,460	9,340,560	9,476,320	1.5%
<b>Total</b>	<b>17,748,590</b>	<b>17,130,510</b>	<b>16,858,110</b>	<b>-1.6%</b>
BART Extension (No Daly City)	7,806,590	7,457,760	7,215,540	-3.2%
<b>Grand Total</b>	<b>25,555,180</b>	<b>24,588,270</b>	<b>24,073,650</b>	<b>-2.1%</b>

\* Demand-Response ridership is now reported in the Bus Ridership Category instead of Paratransit

**Chart B  
Grand Total Ridership (FYTD)**



The following summary illustrates the number of riders by fare category for the month of December 2017. SamTrans carried 879,819 passengers on its fixed-route service in December, and 11,432,514 for the 2017 Calendar Year-to-Date. These numbers do not include Dumbarton ridership and rural On-Demand service previously reflected under the Paratransit ridership.

**Table C  
Bus Riders by Fare Category**

	December 2015	December 2016	December 2017	2017 Calendar Year-to-Date
<b>Adult Cash</b>	232,953	167,443	143,431	1,923,723
<b>Adult Pass</b>	441,241	457,956	437,456	5,680,402
<b>Youth Cash</b>	116,778	119,518	118,125	1,547,499
<b>Youth Pass</b>	49,004	40,733	37,994	550,211
<b>Eligible Discount</b>	154,794	135,369	142,813	1,730,680
<b>Total</b>	994,771	921,019	879,819	11,432,514

**Other Notes:**

Total Monthly Ridership's factors:

- 20 weekdays, compared to 21 days in 2016 and 22 days in 2015
- Overall ridership trend in the San Francisco Bay Area is decreasing
- According to a recent presentation from APTA (the American Public Transportation Association), Telecommuting, Bike Sharing, TNCs, and Gas Prices are main contributors to the decline in bus transit ridership

**Table D  
Bus Performance Standards**

		AWR	OTP	Tokens	
				Adult	Youth
December	2016	36,140	82.51%	23,246	22,004
January	2017	35,720	83.81%	25,870	23,417
February	2017	37,150	83.22%	23,371	22,765
March	2017	40,500	82.21%	25,905	30,624
April	2017	36,672	82.83%	23,973	20,876
May	2017	40,439	81.94%	24,725	28,641
June	2017	34,596	81.07%	24,090	15,361
July	2017	32,293	83.50%	25,159	4,828
August	2017	36,201	80.36%	26,583	18,075
September	2017	44,590	81.48%	27,967	34,211
October	2017	40,861	81.71%	28,492	27,678
November	2017	37,807	79.72%	25,213	23,789
December	2017	35,258	79.78%	22,431	21,234

\*AWR: Does not include Dumbarton ridership

\* Performance standards reflect District Service only

**PERFORMANCE CATEGORY DESCRIPTION**

**AWR** (Average Weekday Ridership) - measures average ridership on a weekday basis for the month

**OTP** (On Time Performance) - sampling thousands of schedules in the system for lates, earlies, and on-times

**Tokens** - total of Adult and Youth token usage for the month

## SamTrans Promotions – December 2017

**Redwood City Hometown Holiday Parade** – The SamTrans Holiday Bus and family helped kick-off the holiday season by participating in the annual Hometown Holiday Parade on Sat., Dec. 2. The maintenance team decked out a newer SamTrans hybrid bus with hundreds of interior and exterior lights, decorations and festive holiday graphics, and wowed the parade spectators. The Hometown Holidays runs in conjunction with the Holiday Train. Promotional communication channels included, SamTimes newsletter, SamTrans website, Peninsula moves blog/organic social media and news release.

**Stuff a Bus** – On Friday, December 1, SamTrans partnered with 96.5 KOIT radio for its annual “Stuff a Bus” toy drive to benefit Toys for Tots and Salvation Army. People were asked to bring an unwrapped toy to donate and “Stuff” a SamTrans Bus at a key location at Serramonte. KOIT personality Freska and a costume character were present to meet fans and collect toy donations. Paid communications included geo-targeted display digital ads, print ads and social media. Internal communications to promote the event included organic social media, media advisory and on news blog. KOIT heavily promoted the event through social media, web articles and live radio call-ins.

## SamTrans Digital Metrics - Dec. 2017



### *New Followers*

**+159**

Dec, 17 - 8,357

Nov, 17 - 8,199

### *Top Tagged Issues*

**1. Delays**

**2. Media Mention**

**3. Operator Complaint**

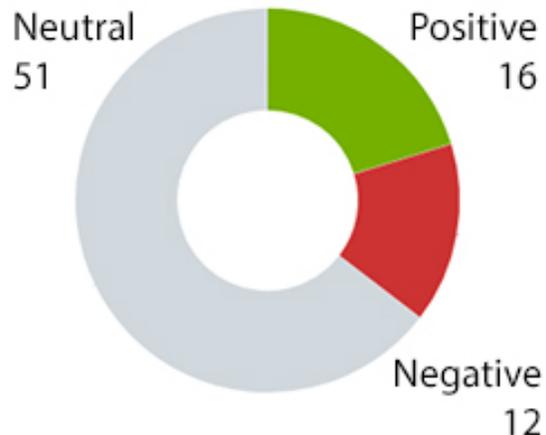
### *SamTrans.com Pageviews*

**Dec, 17 - 131,295**

Nov, 17 - 136,342

Dec, 16 - 144,594

### *Social Sentiment*



### *Dec. Yelp & FB Rating*



*(4 December reviews)*

Prepared by: Alex Lam, Acting Operations Planning Manager  
Jeremy Lipps, Social Media Officer  
James Namba, Marketing Specialist

650-508-6227  
650-508-7845  
650-508-7924



## AGENDA

### FINANCE COMMITTEE COMMITTEE OF THE WHOLE

San Mateo County Transit District  
Bacciocco Auditorium - Second Floor  
1250 San Carlos Ave., San Carlos, CA

WEDNESDAY, FEBRUARY 7, 2018 – 2:30 p.m.  
or immediately following previous Committee meeting

1. Call to Order

#### ACTION

2. Approval of Minutes of Finance Committee Meeting of January 3, 2018
3. Authorize Acceptance of Statement of Revenue and Expenses for December 2017
4. Authorize Acceptance of Quarterly Investment Review and Fixed Income Market for the Period Ending December 31, 2017
5. Authorize Entering Into a Grant Agreement with Silicon Valley Community Foundation for the US 101 Express Bus Feasibility Study and an Amendment to Increase the Fiscal Year 2018 Capital Budget by \$50,000

#### CONTRACT

6. Authorize Award of Contract to Vanden Bos Electric, Inc. for the LED Installation Project in a Total Amount of \$393,000
7. Authorize Award of Contract to New Flyer of America, Inc. for 55 New Heavy-duty, Low-floor, 60-foot Diesel Articulated Buses for a Total Estimated Amount of \$48,972,000
8. Authorize Amendment of County Law Enforcement Services Agreement and Entering Into a Communications Services Agreement with County of San Mateo
9. Authorize Declaration of an Emergency for the Replacement of a Ruptured Fuel Line at North Base and Ratification of an Emergency Purchase Order

Committee Members: Karyl Matsumoto, Rose Guilbault, Dave Pine

#### NOTE:

- This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

MINUTES OF FINANCE COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
JANUARY 3, 2018

Committee Members Present: K. Matsumoto, P. Ratto

Committee Member Absent: C. Groom (Committee Chair)

Other Board Members Present, Constituting Committee of the Whole: J. Gee, R. Guilbault, Z. Kersteen-Tucker, D. Pine, C. Stone

Other Board Members Absent: J. Powell

Staff Present: R. Bolon, J. Cassman, A. Chan, C. Gumpal, J. Hartnett, R. Lobo, M. Martinez, C. Mau, D. Olmeda, S. Murphy, S. van Hoften

Committee Member Ratto called the meeting to order at 2:19 pm.

**Approval of Minutes of December 3, 2017~~8~~**

Motion/Second: Guilbault/Pine

Ayes: Guilbault, Kersteen-Tucker, Pine, Ratto, Stone

Absent: Gee, Groom, Matsumoto, Powell

Director Gee arrived at 2:10 pm

**Acceptance of Statement of Revenue and Expenses for November 2017**

Rima Lobo, Director of Finance, reported that the November revenues exceed expenses by \$600,000. At this time there is a projected a deficit of \$3.4 million compared to a budget deficit of \$6 million. Staff will continue to analyze and update the forecast.

Director Pine asked what the amount was for the one-time expense for the unfunded CalPERS and other post employee benefits. Staff will follow up.

Motion/Second: Ratto/Stone

Ayes: Gee, Guilbault, Kersteen-Tucker, Pine, Ratto, Stone

Absent: Groom, Matsumoto, Powell

**Authorize Acceptance of the San Mateo County Transit District's Fiscal Year 2017 Comprehensive Annual Financial Report**

Rima Lobo, Director of Finance, said the District contracts with an independent auditor, Vavrinek, Trine, Day & Co. LLP (VTD) to conduct annual audits of the Financial Statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Director Matsumoto arrived at 2:16 pm

Ahmad Gharaibeh, VTD, provided a report on the Comprehensive Annual Financial Report that provides a summary of the District's finances, services and achievements. He reported there were no findings.

Motion/Second: Pine/Stone

Ayes: Gee, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone

Absent: Groom, Powell

**Authorize Award of Contract to New Flyer of America, Inc. for the Purchase and Delivery of 55-Heavy Duty Diesel Articulated Buses for a Total Estimated Amount of \$48,972,000**

This item was pulled from the agenda. No action was taken.

**Authorize Amendment to the Fiscal Year (FY) 2018 Capital Budget by \$860,000 from \$16,373,081 to \$17,233,081 and Increase the General Manager's Contract Change Order Authority by \$450,000 for the Contract with Interstate Grading & Paving for the San Carlos Transit Center Project**

Rafael Bolon, Joint Powers Board Capital Projects, clarified that the increase in the Capital Budget is \$860,000 not \$850,000 as previously noted in the staff report. An increase in Contract change order authority and Project budget will enable the completion of the construction of a relocated San Carlos Transit Center parking lot in San Carlos. The value of additional change order authority required to close out the Contract is \$460,000, primarily due to a significant delay by Caltrans in issuing an encroachment permit required to complete the work. The work was to have been done in one phase but had to be split in two phases because of the delay of obtaining the permit.

Motion/Second: Ratto/Gee

Ayes: Gee, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone

Absent: Groom, Powell

Adjourned: 2:19 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING  
DECEMBER 31, 2017**

**ACTION**

Staff proposes the Committee recommend that the Board accept and enter into the record the Statement of Revenues and Expenses for the month of December 2017 and supplemental information.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through December 31, 2017. The statement has been designed to follow the Agency wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year to date prior to current actuals for the current fiscal year including dollar and percentage variances. In addition, the current forecast of Revenues and Expenses is compared to the Adopted Budget for Fiscal Year 2018.

**SIGNIFICANCE**

**Annual Forecast:** The Forecast reflects a deficit of \$5.1 million compared to a \$6.0 million projected deficit in the revised budget (page 1, line 35). This is an improvement of \$0.9 million. The variance is driven by savings in Motor Bus expenses (page 1, line 19) due primarily to lower Professional Services (page 3, line 7), Technical Services (page 3, line 8), Fuel and Lubricants (page 3, line 12) and Contracted Urban Bus Service (page 3, line 35). The Motor Bus savings of \$2.1 million is partially offset by lower Passenger Fares of \$1.2 million (page 1, line 1).

**Year to Date Revenues:** As of December year-to-date actuals, the Total Sources of Funds (page 1 of the Statement of Revenues and Expenses, line 15) are \$1.7 million higher than the prior year. This is driven by a higher District ½ cent Sales Tax (page 1, line 10) partially offset by decline in revenues from Passenger Fares (page 1, line 1), Operating Grants (page 1, line 4), SM County Measure A & Other (page 1, line 6) due to a reduction in paratransit funding for FY2018, and Other Interest, Rent, & Other

Income (page 1, line 12).

**Year to Date Expenses:** As of December year-to-date actuals, the Total Uses of Funds (page 1, line 33) are \$7.7 million higher than the prior year-to-date actuals. This is primarily due to Total Motor Bus expenses which are higher by \$2.0 million (page 1 line 19) due to inclusion of unfunded CalPERS and Other Post-Employment Benefits (OPEB) liability (this expense, which was incurred in July, will not recur throughout the year), ADA Programs are \$1.0 million higher than prior year (page 1, line 20) due to new insurance claims, and Sales Tax Allocation for Capital Programs (page 1, line 29) which was not broken out in prior years.

**BUDGET IMPACT**

There are no budget amendments for the month of December 2017.

**STRATEGIC INITIATIVE**

This item does not achieve a strategic initiative.

Prepared By:

Melanie Hartanto, Accountant  
Jeannie Chen, Manager, General Ledger

650-508-6478  
650-508-6259

**SAN MATEO COUNTY TRANSIT DISTRICT  
SUMMARY OF REVENUES AND EXPENSES  
FISCAL YEAR 2018  
DECEMBER 2017**

% OF YEAR ELAPSED: **50.0%**

	YEAR-TO-DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	VARIANCE	% VARIANCE	BUDGET*	FORECAST	VARIANCE	% VARIANCE
<b>SOURCES OF FUNDS</b>								
<b>Operating Revenues</b>								
1 Passenger Fares	\$ 8,848,106	\$ 7,925,387	\$ (922,719)	-10.4%	\$ 16,977,116	\$ 15,818,453	\$ (1,158,663)	-6.8%
2 Local TDA and STA Funds	21,180,719	21,006,734	(173,985)	-0.8%	42,013,473	42,013,473	0	0.0%
3 Pass through to Other Agencies	39,145	418,362	379,217	968.7%	836,536	836,536	0	0.0%
4 Operating Grants	1,839,621	1,162,731	(676,891)	-36.8%	5,309,973	5,309,973	0	0.0%
5 SMCTA Measure A	4,887,907	4,946,226	58,319	1.2%	9,577,753	9,577,753	0	0.0%
6 SM County Measure A & Other	2,500,000	1,875,000	(625,000)	-25.0%	3,750,000	3,750,000	0	0.0%
7 AB434 Funds, TA Funded Shuttle & Other	54,500	154,500	100,000	183.5%	532,794	532,794	0	0.0%
8 <b>Subtotal - Operating Revenues</b>	<b>39,349,999</b>	<b>37,488,941</b>	<b>(1,861,058)</b>	<b>-4.7%</b>	<b>78,997,645</b>	<b>77,838,982</b>	<b>(1,158,663)</b>	<b>-1.5%</b>
<b>Other Revenue Sources</b>								
10 District 1/2 Cent Sales Tax	41,197,021	44,831,051	3,634,030	8.8%	84,660,000	84,660,000	0	0.0%
11 Investment Interest	817,039	1,023,080	206,041	25.2%	1,100,312	1,100,312	0	0.0%
12 Other Interest, Rent & Other Income	4,112,833	3,824,894	(287,939)	-7.0%	7,832,588	7,832,588	0	0.0%
13 <b>Subtotal - Other Revenues</b>	<b>46,126,893</b>	<b>49,679,026</b>	<b>3,552,132</b>	<b>7.7%</b>	<b>93,592,900</b>	<b>93,592,900</b>	<b>0</b>	<b>0.0%</b>
14								
15 <b>Total Sources of Funds</b>	<b>85,476,892</b>	<b>87,167,966</b>	<b>1,691,075</b>	<b>2.0%</b>	<b>172,590,545</b>	<b>171,431,882</b>	<b>(1,158,663)</b>	<b>-0.7%</b>
<b>USES OF FUNDS</b>								
<b>Operating Expenses</b>								
18 Motor Bus	54,196,515	56,182,660	1,986,145	3.7%	120,329,771	118,217,242	(2,112,529)	-1.8%
19 A. D. A. Programs	8,549,626	9,544,438	994,812	11.6%	18,432,288	18,502,501	70,213	0.4%
20 Caltrain	3,240,002	3,084,882	(155,120)	-4.8%	6,191,353	6,191,353	0	0.0%
21 Other Multi-modal Programs	1,046,406	1,182,608	136,202	13.0%	2,320,546	2,320,546	0	0.0%
22 Pass through to Other Agencies	39,145	418,362	379,217	968.8%	836,536	836,536	0	0.0%
23 Land Transfer Interest Expense	0	0	0	0.0%	45,716	45,716	0	0.0%
24 <b>Total Operating Expense</b>	<b>67,071,694</b>	<b>70,412,951</b>	<b>3,341,257</b>	<b>5.0%</b>	<b>148,156,210</b>	<b>146,113,894</b>	<b>(2,042,316)</b>	<b>-1.4%</b>
25								
26 <b>Total Operating Surplus/ (Deficit)</b>	<b>18,405,198</b>	<b>16,755,015</b>	<b>(1,650,182)</b>	<b>-9.0%</b>	<b>24,434,335</b>	<b>25,317,988</b>	<b>883,653</b>	<b>3.6%</b>
27								
28								
29 <b>Sales Tax Allocation - Capital Program **</b>	<b>0</b>	<b>4,394,707</b>	<b>4,394,707</b>	<b>0.0%</b>	<b>8,789,413</b>	<b>8,789,413</b>	<b>0</b>	<b>0.0%</b>
30								
31 <b>Total Debt Service</b>	<b>4,994,022</b>	<b>4,940,153</b>	<b>(53,869)</b>	<b>-1.1%</b>	<b>21,684,044</b>	<b>21,684,044</b>	<b>0</b>	<b>0.0%</b>
32								
33 <b>Total Uses of Funds</b>	<b>\$ 72,065,716</b>	<b>\$ 79,747,811</b>	<b>\$ 7,682,095</b>	<b>10.7%</b>	<b>\$ 178,629,667</b>	<b>\$ 176,587,351</b>	<b>\$ (2,042,316)</b>	<b>-1.1%</b>
34								
35 <b>PROJECTED SURPLUS/ (DEFICIT)</b>	<b>\$ 13,411,176</b>	<b>\$ 7,420,156</b>	<b>\$ (5,991,020)</b>	<b>-44.7%</b>	<b>\$ (6,039,123)</b>	<b>\$ (5,155,469)</b>	<b>\$ 883,653</b>	<b>-14.6%</b>

This report represents actuals and budgets on budgetary basis.

\* Reflects Revised Budget approved by the BOD on Sept 6th, 2017 plus Budget Transfers

\*\* In prior years, sales tax allocation for capital program was not reflected as a separate line on the financial statement.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STATEMENT OF REVENUES  
FISCAL YEAR 2018  
DECEMBER 2017**

% OF YEAR ELAPSED: 50.0%

	YEAR-TO-DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	VARIANCE	% VARIANCE	BUDGET*	FORECAST	VARIANCE	% VARIANCE
<b>OPERATING REVENUES - MOTOR BUS</b>								
1 TOTAL MOTOR BUS FARES	\$ 8,478,167	\$ 7,477,472	\$ (1,000,695)	-11.8%	\$ 16,235,675	\$ 15,077,012	\$ (1,158,663)	-7.1%
2 LOCAL (TDA) TRANSIT FUND:								
3 General Operating Assistance	18,770,304	18,220,375	(549,929)	-2.9%	36,440,750	36,440,750	0	0.0%
4 STATE TRANSIT ASSISTANCE:								
5 Local STA Operating Assistance	1,304,553	1,655,068	350,515	26.9%	3,310,138	3,310,138	0	0.0%
6 OPERATING GRANTS								
7 TOTAL OPERATING GRANTS	818,232	276,051	(542,181)	-66.3%	1,481,020	1,481,020	0	0.0%
8 DISTRICT 1/2 CENT SALESTAX:								
9 General Operating Assistance	21,195,256	24,885,969	3,690,713	17.4%	55,974,633	55,020,767	(953,866)	-1.7%
10 Accessibility Fixed Route	473,651	470,339	(3,312)	-0.7%	1,108,056	1,108,056	0	0.0%
11 TOTAL 1/2 CENT SALES TAX	21,668,907	25,356,308	3,687,401	17.0%	57,082,689	56,128,823	(953,866)	-1.7%
12 INVESTMENT INTEREST INCOME:								
13 Investment Interest Income	636,637	808,471	171,834	27.0%	861,312	861,312	0	0.0%
14 OTHER REVENUE SOURCES:								
15 Rental Income	777,008	751,963	(25,045)	-3.2%	1,400,000	1,400,000	0	0.0%
16 Advertising Income	368,526	771,599	403,073	109.4%	1,210,700	1,210,700	0	0.0%
17 Other Income	1,374,179	865,353	(508,826)	-37.0%	2,307,488	2,307,488	0	0.0%
18 TOTAL OTHER REVENUES	2,519,714	2,388,915	(130,799)	-5.2%	4,918,188	4,918,188	0	0.0%
19 TOTAL MOTOR BUS	54,196,515	56,182,660	1,986,144	3.7%	120,329,771	118,217,242	(2,112,529)	-1.8%
20 AMERICAN DISABILITIES ACT:								
21 Passenger Fares Redi-Wheels	369,939	447,915	77,976	21.1%	741,441	741,441	0	0.0%
22 Local TDA 4.5 Redi-Wheels	922,122	958,967	36,845	4.0%	1,917,934	1,917,934	0	0.0%
23 Local STA - Paratransit	183,740	172,325	(11,415)	-6.2%	344,649	344,649	0	0.0%
24 Operating Grants	1,021,389	886,680	(134,709)	-13.2%	3,828,953	3,828,953	0	0.0%
25 Sales Tax - District ADA Programs	102,878	1,617,079	1,514,201	1471.8%	981,809	1,052,021	70,213	7.2%
26 Sales Tax - Paratransit Suppl. Coastside	894,890	862,420	(32,469)	-3.6%	1,842,100	1,842,100	0	0.0%
27 Interest Income - Paratransit Fund	180,402	214,610	34,207	19.0%	239,000	239,000	0	0.0%
28 SMCTA Measure A Redi-Wheels	1,647,905	1,861,345	213,440	13.0%	3,386,400	3,386,400	0	0.0%
29 SM County Measure A & Other	2,500,000	1,875,000	(625,000)	-25.0%	3,750,000	3,750,000	0	0.0%
30 Measure M Paratransit	726,361	648,099	(78,262)	-10.8%	1,400,000	1,400,000	0	0.0%
31 TOTAL ADA PROGRAMS	8,549,626	9,544,438	994,812	11.6%	18,432,288	18,502,501	70,213	0.4%
32 MULTI-MODAL TRANSIT PROGRAMS:								
33 Transfer from SMCTA for Caltrain	3,240,002	3,084,882	(155,120)	-4.8%	6,191,353	6,191,353	0	0.0%
34 AB434 Funds, TA Funded Shuttle & Other	54,500	154,500	100,000	183.5%	460,013	460,013	0	0.0%
35 Employer SamTrans Shuttle Funds	806,758	787,880	(18,878)	-2.3%	1,514,400	1,514,400	0	0.0%
36 Sales Tax - SamTrans Shuttle Program	109,775	150,812	41,038	37.4%	103,352	103,352	0	0.0%
37 Bay Area Bike Share Pilot Program	0	0	0	0.0%	72,781	72,781	0	0.0%
38 Sales Tax - Gen. Operating Asst.	75,373	89,416	14,043	18.6%	170,000	170,000	0	0.0%
39 TOTAL MULTIMODAL	4,286,408	4,267,490	(18,918)	-0.4%	8,511,899	8,511,899	0	0.0%
40 TOTAL REVENUES	\$ 67,032,549	\$ 69,994,589	\$ 2,962,040	4.4%	\$ 147,273,958	\$ 145,231,642	\$ (2,042,316)	-1.4%

\* Reflects Revised Budget approved by the BOD on Sept 6th, 2017 plus Budget Transfers

**SAN MATEO COUNTY TRANSIT DISTRICT  
OPERATING EXPENSES  
FISCAL YEAR 2018  
DECEMBER 2017**

% OF YEAR ELAPSED: **50.0%**

EXPENSES	YEAR-TO-DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	VARIANCE	% VARIANCE	BUDGET*	FORECAST	VARIANCE	% VARIANCE
<b>DISTRICT OPERATED BUSES</b>								
1 Wages & Benefits	\$ 30,176,597	\$ 31,240,531	\$ 1,063,934	3.5%	\$ 59,835,068	\$ 59,835,068	0	0.0%
2								
3 Services:								
4 Board of Directors	26,734	29,142	2,408	9.0%	86,000	86,000	0	0.0%
5 Contracted Vehicle Maintenance	551,524	580,702	29,178	5.3%	1,335,850	1,335,850	0	0.0%
6 Property Maintenance	432,230	541,887	109,657	25.4%	1,055,500	1,055,500	0	0.0%
7 Professional Services	1,872,787	1,739,656	(133,131)	-7.1%	5,322,204	4,666,287	(655,917)	-12.3%
8 Technical Services	2,975,432	2,805,735	(169,698)	-5.7%	7,898,580	6,961,408	(937,172)	-11.9%
9 Other Services	1,161,441	1,241,698	80,257	6.9%	3,160,668	3,160,668	0	0.0%
10								
11 Materials & Supply:								
12 Fuel and Lubricants	1,361,293	1,410,164	48,871	3.6%	3,783,600	3,566,230	(217,370)	-5.7%
13 Bus Parts and Materials	960,766	915,527	(45,239)	-4.7%	2,038,233	2,038,233	0	0.0%
14 Uniforms and Driver Expense	132,417	132,292	(125)	-0.1%	537,231	537,231	0	0.0%
15 Timetables and Tickets	32,015	32,996	981	3.1%	326,500	326,500	0	0.0%
16 Office Supplies / Printing	155,138	137,247	(17,891)	-11.5%	489,412	489,412	0	0.0%
17 Other Materials and Supply	86,433	78,930	(7,503)	-8.7%	160,000	160,000	0	0.0%
18								
19 Utilities:								
20 Telecommunications	217,325	227,371	10,046	4.6%	745,491	745,491	0	0.0%
21 Other Utilities	585,455	582,765	(2,690)	-0.5%	1,140,000	1,140,000	0	0.0%
22 Insurance Costs	1,394,797	1,550,932	156,135	11.2%	3,042,164	3,042,164	0	0.0%
23 Workers' Compensation	1,704,201	1,578,977	(125,224)	-7.3%	3,666,068	3,666,068	0	0.0%
24 Taxes and License Fees	254,352	313,113	58,761	23.1%	779,823	779,823	0	0.0%
25 Fixed Route Accessibility	473,651	470,339	(3,313)	-0.7%	1,108,056	1,108,056	0	0.0%
26 Leases and Rentals	78,675	88,707	10,032	12.8%	182,670	182,670	0	0.0%
27 Promotional and Legal Advertising	125,266	106,043	(19,223)	-15.3%	869,000	869,000	(0)	0.0%
28 Training and Business Travel	82,455	87,352	4,896	5.9%	827,013	827,013	0	0.0%
29 Dues and Membership	51,648	45,447	(6,202)	-12.0%	159,043	159,043	0	0.0%
30 Postage and Other	21,021	16,798	(4,224)	-20.1%	137,359	137,359	0	0.0%
31								
32 <b>Total District Operated Buses</b>	<b>44,913,653</b>	<b>45,954,349</b>	<b>1,040,696</b>	<b>2.3%</b>	<b>98,685,533</b>	<b>96,875,074</b>	<b>(1,810,459)</b>	<b>-1.8%</b>
33								
34 <b>CONTRACTED BUS SERVICES</b>								
35 Contracted Urban Bus Service	7,864,927	8,579,489	714,562	9.1%	17,987,300	17,685,230	(302,070)	-1.7%
36 Other Related Costs	233,485	235,813	2,328	1.0%	358,914	358,914	0	0.0%
37 Insurance Costs	136,854	285,054	148,201	108.3%	773,422	773,422	0	0.0%
38 Coastside Services	755,527	849,116	93,589	12.4%	1,973,825	1,973,825	0	0.0%
39 Redi Coast Non-ADA	134,325	118,583	(15,742)	-11.7%	233,775	233,775	0	0.0%
40 Other Related Costs	58,520	58,027	(494)	-0.8%	116,884	116,884	0	0.0%
41 La Honda - Pescadero	27,825	27,563	(263)	-0.9%	55,130	55,130	0	0.0%
42 SamCoast - Pescadero	60,896	70,968	10,073	16.5%	138,350	138,350	0	0.0%
43 Other Related Cost - SamCoast	10,504	3,698	(6,806)	-64.8%	6,638	6,638	0	0.0%
44 <b>Total Contracted Bus Service</b>	<b>9,282,862</b>	<b>10,228,311</b>	<b>945,449</b>	<b>10.2%</b>	<b>21,644,238</b>	<b>21,342,168</b>	<b>(302,070)</b>	<b>-1.4%</b>
45								
46 <b>TOTAL MOTOR BUS</b>	<b>\$ 54,196,515</b>	<b>\$ 56,182,660</b>	<b>\$ 1,986,145</b>	<b>3.7%</b>	<b>\$ 120,329,771</b>	<b>\$ 118,217,242</b>	<b>\$ (2,112,529)</b>	<b>-1.8%</b>

\* Reflects Adopted Budget approved by the Board on June 7, 2017

**SAN MATEO COUNTY TRANSIT DISTRICT  
OPERATING EXPENSES  
FISCAL YEAR 2018  
DECEMBER 2017**

% OF YEAR ELAPSED: **50.0%**

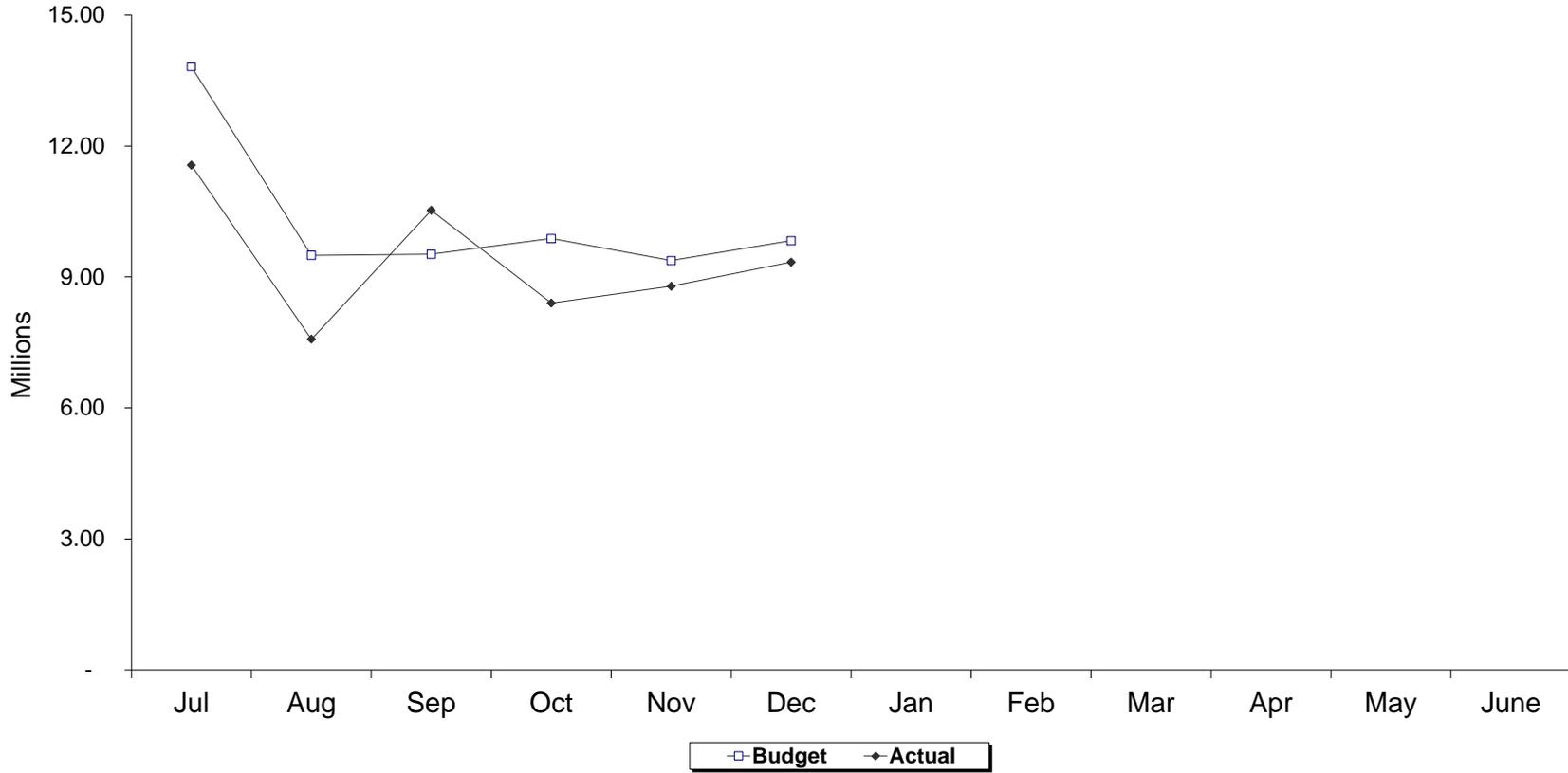
EXPENSES	YEAR-TO-DATE				ANNUAL			
	PRIOR ACTUAL	CURRENT ACTUAL	VARIANCE	% VARIANCE	BUDGET*	FORECAST	VARIANCE	% VARIANCE
<b>AMERICAN DISABILITY ACT PROGRAMS</b>								
Elderly & Disabled/Redi-Wheels	\$ 2,668,664	\$ 2,661,096	\$ (7,568)	-0.3%	\$ 7,716,600	\$ 5,991,021	\$ (1,725,579)	-22.4%
Other Related Costs	1,385,891	1,409,423	23,532	1.7%	3,054,568	3,054,568	0	0.0%
ADA Sedans / Taxi Service	2,591,607	2,497,511	(94,096)	-3.6%	3,704,208	5,500,000	1,795,792	48.5%
ADA Accessibility Support	683,123	687,552	4,429	0.6%	1,505,855	1,505,855	0	0.0%
Coastside ADA Support	894,890	862,420	(32,469)	-3.6%	1,842,100	1,842,100	0	0.0%
Insurance Costs	325,451	1,426,437	1,100,985	338.3%	608,957	608,957	(0)	0.0%
<b>TOTAL ADA PROGRAMS</b>	<b>8,549,626</b>	<b>9,544,438</b>	<b>994,812</b>	<b>11.6%</b>	<b>18,432,288</b>	<b>18,502,501</b>	<b>70,213</b>	<b>0.4%</b>
<b>MULTI-MODAL TRANSIT PROGRAMS</b>								
<b>CALTRAIN SERVICE</b>								
Peninsula Rail Service	3,240,002	3,084,882	(155,120)	-4.8%	6,191,353	6,191,353	0	0.0%
<b>Total Caltrain Service</b>	<b>3,240,002</b>	<b>3,084,882</b>	<b>(155,120)</b>	<b>-4.8%</b>	<b>6,191,353</b>	<b>6,191,353</b>	<b>0</b>	<b>0.0%</b>
<b>OTHER SUPPORT</b>								
SamTrans Shuttle Service	971,033	1,093,193	122,160	12.6%	2,077,765	2,077,765	0	0.0%
Bicycle Coordinating Activities	0	0	0	0.0%	72,781	72,781	0	0.0%
Maintenance Multimodal Facilities	75,373	89,415	14,043	18.6%	170,000	170,000	0	0.0%
<b>Total Other Support</b>	<b>1,046,405</b>	<b>1,182,608</b>	<b>136,203</b>	<b>13.0%</b>	<b>2,320,546</b>	<b>2,320,546</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL MULTI-MODAL PROGRAMS</b>	<b>4,286,408</b>	<b>4,267,490</b>	<b>(18,918)</b>	<b>-0.4%</b>	<b>8,511,899</b>	<b>8,511,899</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 67,032,549</b>	<b>\$ 69,994,589</b>	<b>\$ 2,962,040</b>	<b>4.4%</b>	<b>\$ 147,273,958</b>	<b>\$ 145,231,642</b>	<b>\$ (2,042,316)</b>	<b>-1.4%</b>

\* Reflects Revised Budget approved by the BOD on Sept 6th, 2017 plus Budget Transfers

## SAN MATEO COUNTY TRANSIT DISTRICT

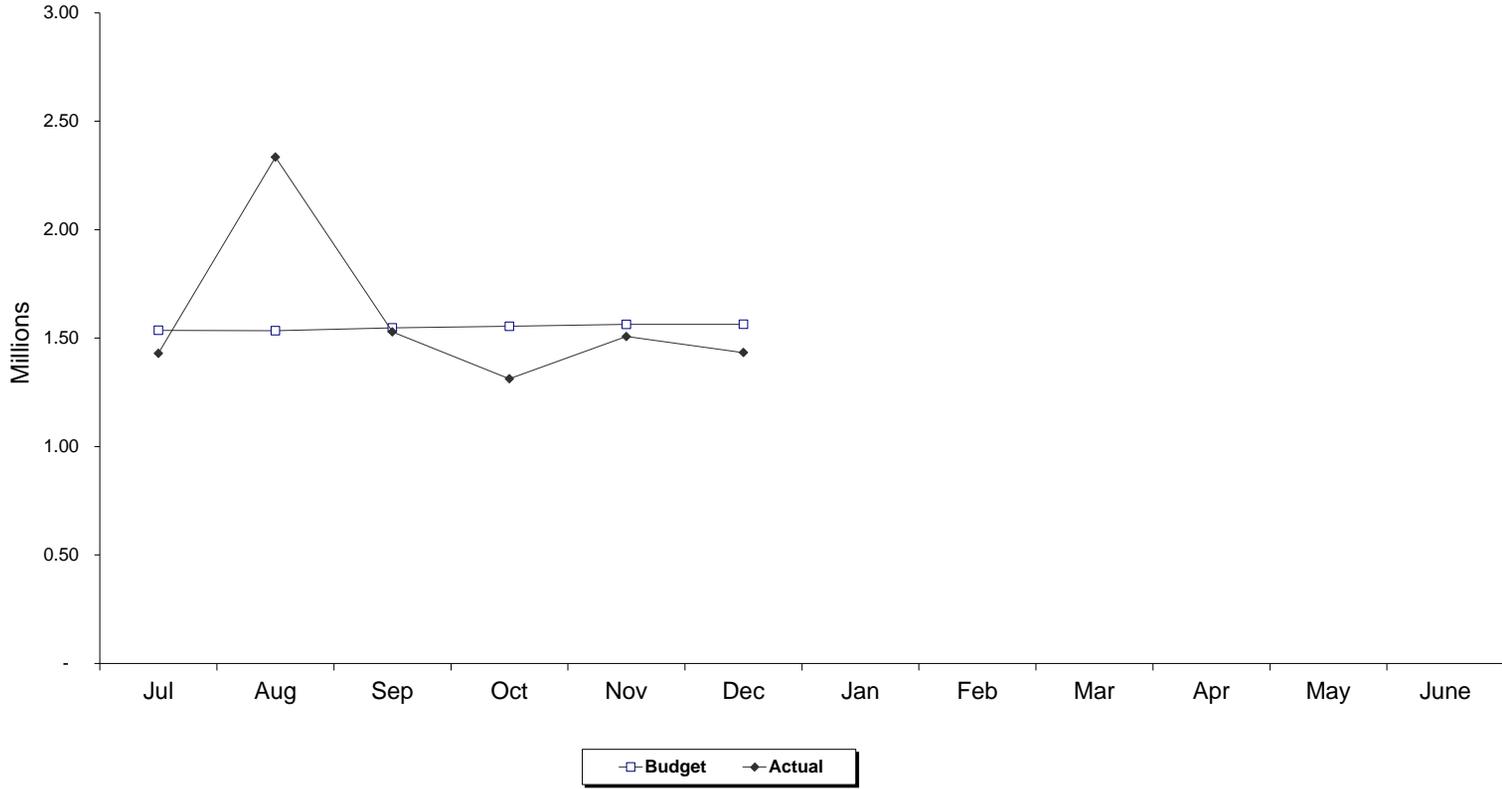
### MOTOR BUS MONTHLY EXPENSES - BUDGET VS ACTUAL

### FISCAL YEAR 2018



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
<b>MONTHLY EXPENSES</b>													
<b>Budget</b>	13,819,983	9,495,283	9,520,016	9,877,531	9,372,852	9,829,280							
<b>Actual</b>	11,560,304	7,573,200	10,525,864	8,399,907	8,785,098	9,338,288							
<b>CUMULATIVE EXPENSES</b>													
<b>Budget</b>	13,819,983	23,315,266	32,835,282	42,712,813	52,085,665	61,914,945							
<b>Actual</b>	11,560,304	19,133,503	29,659,368	38,059,274	46,844,372	56,182,660							
<b>Variance - F(U)</b>	2,259,679	4,181,762	3,175,915	4,653,539	5,241,293	5,732,285							
<b>Variance %</b>	16.35%	17.94%	9.67%	10.89%	10.06%	9.26%							

**SAN MATEO COUNTY TRANSIT DISTRICT**  
**ADA PROGRAM MONTHLY EXPENSES - BUDGET VS ACTUAL**  
**FISCAL YEAR 2018**

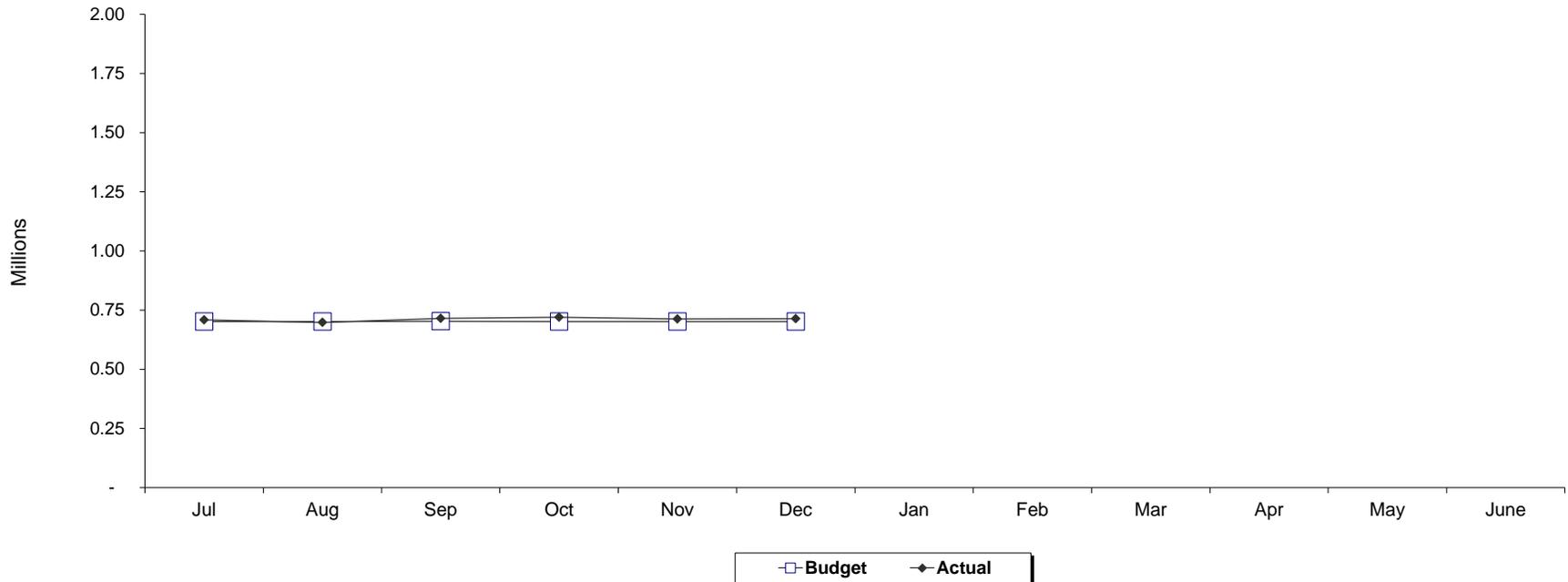


	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>MONTHLY EXPENSES</b>												
Budget	1,536,055	1,533,805	1,546,999	1,554,251	1,562,876	1,563,826						
Actual	1,429,022	2,334,351	1,528,316	1,312,675	1,507,037	1,433,038						
<b>CUMULATIVE EXPENSES</b>												
Budget	1,536,055	3,069,860	4,616,860	6,171,111	7,733,987	9,297,813						
Actual	1,429,022	3,763,373	5,291,689	6,604,363	8,111,400	9,544,438						
Variance - F(U)	107,033	(693,513)	(674,829)	(433,253)	(377,413)	(246,625)						
Variance %	6.97%	-22.59%	-14.62%	-7.02%	-4.88%	-2.65%						

# SAN MATEO COUNTY TRANSIT DISTRICT

## MULTIMODAL MONTHLY EXPENSES - BUDGET VS ACTUAL

### FISCAL YEAR 2018



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>MONTHLY EXPENSES</b>												
Budget	701,977	701,977	702,977	701,977	701,977	701,976						
Actual	708,355	697,901	714,972	719,974	712,527	713,760						
<b>CUMULATIVE EXPENSES</b>												
Budget	701,977	1,403,953	2,106,930	2,808,906	3,510,883	4,212,859						
Actual	708,355	1,406,257	2,121,229	2,841,203	3,553,730	4,267,490						
Variance - F(U)	(6,378)	(2,303)	(14,299)	(32,297)	(42,847)	(54,631)						
Variance %	-0.91%	-0.16%	-0.68%	-1.15%	-1.22%	-1.30%						

**SAN MATEO COUNTY TRANSIT DISTRICT**

**INTEREST ON INVESTMENTS**

**December 31, 2017**

DESCRIPTION	TOTAL INVESTMENT 12-31-17	INTEREST RECEIVABLE 11-30-17	PREPAID INT RECEIVABLE 12-31-17	INTEREST EARNED 12-31-17	INTEREST RECEIVED 12-31-17	ADJ.	INTEREST RECEIVABLE 12-31-17
RESERVE FOR CAPITAL PROJ	0.00	(0.00)	0.00	0.00	0.00	0.00	(0.00)
LAIF -- CAPITAL PROJ	77,830.18	150.50	0.00	81.90	0.00	0.00	232.40
REIMB SECURITIES -- L76R	88,858,837.95	324,878.05	2,368.09	123,778.51	41,774.07	(2,744.55)	406,506.03
LAIF -- REIMB FUNDS L76R	3,018,458.99	10,532.33	0.00	3,176.33	0.00	0.00	13,708.66
PARATRANSIT FUNDS	25,308,522.42	91,459.10	559.39	40,942.71	14,322.23	36.78	118,675.76
LAIF -- PARATRANSIT	1,042,599.66	2,016.08	0.00	1,097.13	0.00	0.00	3,113.21
BANK OF AMERICA	45,326,424.96	0.00	0.00	4,131.54	4,131.54	0.00	0.00
WELLS FARGO	7,702.00	0.00	0.00	0.00	0.00	0.00	0.00
US Bank - Custodian account	9,038,265.25	5,043.89	0.00	5,497.15	5,043.89	0.00	5,497.15
Debt Service Reserves							
Held by Trustee:	7,693,130.10	0.00	0.00	0.00	0.00	0.00	0.00
	<u>180,371,771.51</u>	<u>434,079.95</u>	<u>2,927.48</u>	<u>178,705.27</u>	<u>65,271.73</u>	<u>(2,707.77)</u>	<u>547,733.21</u>

**DECEMBER 2017 -- SUMMARY OF INTEREST & CAPITAL GAIN**

Interest Earned 12/31/17	175,997.50
<b>Add:</b>	
CEO Interest	0.00
<b>Less:</b>	
Trust Fees	(625.67)
Capital Gain(Loss)	<u>(1,063.49)</u>
Total Interest & Capital Gain(Loss)	<u>174,308.34</u>

**YEAR TO DATE -- SUMMARY**

Interest Earned	1,095,312.08
<b>Add:</b>	
CEO Interest	
<b>Less:</b>	
Trust Fees	(4,037.56)
Capital Gain(Loss)	<u>(69,025.61)</u>
Total Interest & Capital Gain(Loss)	<u>1,022,248.91</u>

**Balance Per Ledger as of 12/31/17**

Deferred Int Acct. 210852/3	24,164.71
Interest Acct. 409101	1,071,147.37
Less Trust Fees 530045	(4,037.56)
Gain(Loss) Acct. 405210	<u>(69,025.61)</u>
	<u>1,022,248.91</u>

**SAN MATEO COUNTY TRANSIT DISTRICT  
BOND REIMBURSED FUNDS -- INTEREST ON SECURITIES -- L76R  
December 31, 2017**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 12-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST REC'BLE 11-30-17	PREPAID INT REC'BLE 12-31-17	INTEREST EARNED 12-31-17	INTEREST RECEIVED 12-31-17	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'BLE 12-31-17	INT REC'BLE LESS PREPAID 12-31-17	PAR VALUE
<b>U.S. TREASURY NOTES AND BONDS</b>																
US TREASURY NOTE	912828T8	03-25-15	64,987.30	64,484.55	04-30-19	1.250%	2.2569	69.58		69.96			(0.38)	139.16	139.16	65,000.00
US TREASURY NOTE	912828V4	12-07-15	1,845,821.49	1,846,041.56	05-31-20	1.375%	71.4236	70.64		2,214.13			(24.33)	2,260.44	2,260.44	1,870,000.00
US TREASURY NOTE	912828V2	05-18-16	1,705,623.04	1,652,707.65	07-31-20	2.000%	91.6667	11,029.89		2,841.67			(61.78)	13,809.78	13,809.78	1,650,000.00
US TREASURY NOTE	912828L3	06-29-16	417,495.32	404,010.31	08-31-20	1.375%	15.6597	1,447.88		485.45			(7.95)	1,925.38	1,925.38	410,000.00
US TREASURY NOTE	912828Q7	01-05-17	1,960,312.50	1,956,718.00	04-30-21	1.375%	76.3889	2,354.97		2,368.06			(13.09)	4,709.94	4,709.94	2,000,000.00
US TREASURY NOTE	912828R7	03-17-17	1,363,632.81	1,368,500.00	05-31-21	1.375%	53.4722	52.88		1,657.64			(18.21)	1,692.31	1,692.31	1,400,000.00
US TREASURY NOTE	912828D7	04-05-17	1,007,734.38	996,719.00	08-31-21	2.000%	55.5556	5,163.01		1,722.22			(37.44)	6,847.79	6,847.79	1,000,000.00
US TREASURY NOTE	912828D2	06-29-17	1,516,347.66	1,495,078.50	08-31-21	2.000%	83.3333	7,744.50		2,583.33			(56.16)	10,271.67	10,271.67	1,500,000.00
US TREASURY NOTE	912828D7	07-11-17	2,213,320.31	2,192,781.80	08-31-21	2.000%	122.2222	11,358.78		3,788.89			(82.36)	15,065.31	15,065.31	2,200,000.00
US TREASURY NOTE	912828T6	10-10-17	1,074,519.53	1,065,625.00	10-31-21	1.250%	38.1944	1,208.79		1,184.03			(24.84)	2,367.98	2,367.98	1,100,000.00
US TREASURY NOTE	912828T6	08-03-17	1,520,271.48	1,501,562.50	10-31-21	1.250%	53.8194	1,703.30		1,668.40			(35.00)	3,336.70	3,336.70	1,550,000.00
US TREASURY NOTE	912828T6	08-31-17	3,051,078.13	3,003,125.00	10-31-21	1.250%	107.6389	3,406.59		3,336.81			(8.18)	6,735.22	6,735.22	3,100,000.00
US TREASURY NOTE	912828X47	12-06-17	1,256,803.91	1,254,819.69	04-30-22	1.875%	66.1458	0.00	2,368.09	1,719.79			(9.50)	4,078.38	1,719.29	1,270,000.00
																21.38%
<b>GOVERNMENT BONDS</b>																
FHLMC	3137EAE81	07-20-16	2,693,466.00	2,657,782.80	07-19-19	0.875%	65.6250	8,662.51		1,968.75				10,631.26	10,631.26	2,700,000.00
FNMA	3135GON33	08-02-16	1,597,312.00	1,574,356.80	08-02-19	0.875%	38.8889	4,627.78		1,166.67			(0.01)	5,794.44	5,794.44	1,600,000.00
FHLB GLOBAL NOTE	3130A8Y72	08-04-16	449,136.00	442,682.55	08-05-19	0.875%	10.9375	1,268.75		328.13				1,596.88	1,596.88	450,000.00
FHMA NOTES	3135GOP49	09-02-16	2,695,788.00	2,660,172.30	08-28-19	1.000%	75.0000	6,975.00		9,225.00				9,225.00	9,225.00	2,700,000.00
FHLB GLOBAL NOTE	3130A9EP2	09-08-16	2,697,651.00	2,658,636.00	09-26-16	1.000%	75.0000	4,875.00		2,250.00				7,125.00	7,125.00	2,700,000.00
FHMA NOTES	3135GOT29	02-28-17	1,299,168.00	1,286,509.90	02-28-20	1.500%	54.1667	5,037.50		1,625.00				6,662.50	6,662.50	1,300,000.00
FHLMC AGENCY	3137EAEF2	04-20-17	1,295,554.00	1,281,624.50	04-20-20	1.375%	49.6528	2,035.76		1,489.58			0.01	3,525.35	3,525.35	1,300,000.00
FHMA NOTES	3135GOT60	08-01-17	1,495,455.00	1,481,445.00	07-30-20	1.500%	62.5000	7,500.00		1,875.00				9,375.00	9,375.00	1,500,000.00
FHLB NOTES	3130ACE26	09-07-17	438,587.60	432,332.56	09-28-20	1.375%	16.8056	1,058.75		504.17				1,562.92	1,562.92	440,000.00
FHLB NOTES	3137EAE44	09-29-17	578,950.20	573,374.08	09-29-20	1.625%	26.1806	1,623.19		785.42				2,408.61	2,408.61	580,000.00
FHLB GLOBAL NOTE	3130A8E35	07-15-16	2,683,581.30	2,610,297.90	07-14-21	1.125%	84.3750	11,559.38		2,531.25				14,090.63	14,090.63	2,700,000.00
FNMA NOTES	3135GON82	08-19-16	473,375.03	460,287.35	08-17-21	1.250%	16.4931	1,715.28		494.79				2,210.07	2,210.07	475,000.00
FNMA NOTES	3135GON82	08-19-16	1,518,823.75	1,477,764.65	08-17-21	1.250%	52.9514	5,506.94		1,588.54			0.01	7,095.49	7,095.49	1,525,000.00
																22.34%
<b>CORPORATE NOTE</b>																
JOHN DEERE CAPITAL CORP	2442ZESK1	11-22-16	904,114.67	900,000.00	12-06-17	1.550%	38.7500	6,432.00		193.75	6,625.75		0.50	(0.00)	(0.00)	900,000.00
JOHN DEERE CAPITAL CORP	2442ZESR1	11-22-16	653,092.83	650,000.00	12-15-17	1.550%	27.9861	4,646.19		391.81	5,037.50		(0.50)	0.00	0.00	650,000.00
JOHN DEERE CAPITAL CORP	2442ZETM1	01-06-17	799,480.00	798,221.60	10-15-18	1.650%	36.6667	1,686.67		1,100.00				2,786.67	2,786.67	800,000.00
TOYOTA MOTOR CORP	89236TDM4	01-09-17	1,099,615.00	1,097,724.10	01-09-19	1.700%	51.9444	7,376.11		1,558.33				8,934.44	8,934.44	1,100,000.00
BERKSHIRE HATHWAY GLOBAL	084670BM1	12-23-16	1,810,188.00	1,800,856.80	08-14-19	2.100%	105.0000	11,235.00		3,150.00				14,385.00	14,385.00	1,800,000.00
AMERICAN HONDA FINANCE	GLU 02665WAH4	12-20-16	1,808,946.00	1,802,691.00	08-15-19	2.250%	112.5000	11,925.00		3,375.00				15,300.00	15,300.00	1,800,000.00
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-16	669,665.00	664,051.07	10-18-19	1.550%	28.8472	1,240.43		865.42				2,105.85	2,105.85	670,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	499,405.00	494,839.00	10-30-19	1.700%	23.6111	731.94		708.33			0.01	1,440.28	1,440.28	500,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	1,100,209.00	1,088,645.80	10-30-19	1.700%	51.9444	1,610.28		1,558.33				3,168.61	3,168.61	1,100,000.00
PEIZER INC CORP NOTE	717081E85	11-21-16	1,184,146.80	1,177,547.54	12-15-19	1.700%	55.9583	9,289.08		1,678.75	10,072.50			895.33	895.33	1,185,000.00
CITIGROUP INC	172967LF6	01-10-17	899,640.00	900,414.90	01-10-20	2.450%	61.2500	8,636.25		1,837.50				10,473.75	10,473.75	900,000.00
MICROSOFT CORP	594918BV5	02-06-17	899,397.00	897,338.70	02-06-20	1.850%	46.2500	5,318.75		1,387.50				6,706.25	6,706.25	900,000.00
WALT DISNEY CO CORP NOTES	25468PDP8	03-06-17	379,901.20	378,765.00	03-04-20	1.950%	20.5833	1,790.75		617.50				2,408.25	2,408.25	380,000.00
APPLE INC BONDS	037833CS7	05-11-17	819,163.60	813,055.42	05-11-20	1.800%	41.0000	820.00		1,230.00				2,050.00	2,050.00	820,000.00
HOME DEPOT INC CORP NOTES	437076BQ4	06-05-17	449,739.00	446,421.60	06-05-20	1.800%	22.5000	3,960.00		675.00	4,050.00			585.00	585.00	450,000.00
MORGAN STANLEY CORP NOTE	6174467P8	11-10-16	2,009,250.00	1,929,925.80	07-24-20	5.500%	275.0000	34,925.00		8,250.00				43,175.00	43,175.00	1,800,000.00
CATERPILLAR FINL SERVICE NOTI	14913QZ46	09-07-17	649,454.00	642,411.90	09-04-20	1.850%	33.4028	2,805.83		1,002.08			0.01	3,807.92	3,807.92	650,000.00
WAL-MART STORES INC CORP N	931142EA7	10-20-17	898,695.00	894,203.10	12-15-20	1.900%	47.5000	1,947.50		1,425.00				3,372.50	3,372.50	900,000.00
BRANCH MANKING & TRUST CO	05531FAZ6	10-26-17	449,793.00	445,743.00	02-01-21	2.150%	26.8750	940.63		806.25				1,746.88	1,746.88	450,000.00
PEPSICO INC CORP NOTE	71344DX3	10-10-17	599,880.00	593,175.00	04-15-21	2.000%	33.3333	1,700.00		1,000.00				2,700.00	2,700.00	600,000.00
BANK OF AMERICA CORP	06051GFU4	11-03-17	352,716.00	351,785.70	04-19-21	2.625%	25.5208	1,071.88		765.62				1,837.50	1,837.50	350,000.00
GOLDMAN SACHS GROUP CORP	3814GGQ1	11-28-16	1,765,872.00	1,734,065.60	07-27-21	5.250%	233.3333	28,933.33		7,000.00				35,933.33	35,933.33	1,600,000.00
BANK OF AMERICA CORP	06051GG52	09-18-17	550,000.00	548,449.55	10-01-21	2.328%	35.5667	2,596.37		1,067.00				3,663.37	3,663.37	550,000.00
JOHN DEERE CAPITAL CORP	2442ETL3	03-15-17	448,015.50	452,620.35	01-06-22	2.650%	33.1250	4,803.13		993.75				5,796.88	5,796.88	450,000.00
JPMORGAN CHASES & CO CORP	46625HJD3	05-26-17	973,638.00	963,046.80	01-24-22	4.500%	112.5000	14,287.50		3,375.00				17,662.50	17,662.50	900,000.00
																23.10%
<b>COMMERCIAL PAPER</b>																
BANK OF TOKYO MITSUBISHI U	06538CBG5	05-23-17	791,212.67	798,236.80	02-16-18	0.000%		0.00		0.00				0.00	0.00	800,000.00
BNP PARIBAS NY BRANCH COM	09659CCT71	07-07-17	1,781,775.00	1,794,717.00	03-07-18	0.000%		0.00		0.00				0.00	0.00	1,800,000.00
CREDIT AGRICOLE CIB NY COM	22533UF16	12-01-17	1,784,803.00	1,786,332.60	06-01-18	0.000%		0.00		0.00				0.00	0.00	1,800,000.00
BANK OF MONTREAL CHICAGO	06366HF44	09-08-17	1,780,180.17	1,786,												

**SAN MATEO COUNTY TRANSIT DISTRICT  
BOND REIMBURSED FUNDS -- INTEREST ON SECURITIES -- L76R  
December 31, 2017**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 12-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST REC'VBLE 11-30-17	PREPAID INT REC'VBLE 12-31-17	INTEREST EARNED 12-31-17	INTEREST RECEIVED 12-31-17	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'VBLE 12-31-17	INT REC'VBLE LESS PREPAID 12-31-17	PAR VALUE
10.07%																
<b>CERTIFICATION OF DEPOSIT</b>																
CANADIAN IMPERIAL BANK NY C 13606ASZ7		12-05-16	1,798,596.00	1,796,200.20	11-30-18	1.760%	88.0000	88.00		2,640.00			88.00	2,816.00	2,816.00	1,800,000.00
SVENSKA HANDELSBANKENY LT 86958JH88		01-12-17	1,800,000.00	1,792,042.20	01-10-19	1.890%	94.5000	13,608.00		2,835.00			94.50	16,537.50	16,537.50	1,800,000.00
BANK OF NOVA SCOTIA HOUSTC 06417GUE6		04-06-17	1,800,000.00	1,793,484.00	04-05-19	1.910%	95.5000	5,443.50		2,865.00			95.50	8,404.00	8,404.00	1,800,000.00
SUMITOMO MITSUI BANK NY CI 86563YVNO		05-04-17	1,500,000.00	1,498,974.00	05-03-19	2.050%	85.4167	2,391.67		2,562.50				4,954.17	4,954.17	1,500,000.00
SWEDBANK (NEW YORK) CERT D 87019U6D6		11-17-17	1,800,000.00	1,790,276.40	11-16-20	2.270%	113.5000	1,589.00		3,405.00			113.50	5,107.50	5,107.50	1,800,000.00
9.73%																
<b>ASSET-BACKED SECURITY/COLLATERALIZED MORTGAGE OBLIGATION</b>																
CCCIT 2017-A2 A2	1730SEGA7	01-26-17	1,549,703.18	1,546,542.11	01-17-21	1.740%	74.9167	10,038.83		2,247.50				12,286.33	12,286.33	1,550,000.00
TOYOTA ABS 2017-A A3	89238MAD0	03-15-17	449,947.04	447,772.28	02-15-21	1.730%	21.6250	346.00		648.75	648.75			346.00	346.00	450,000.00
ALLY ABS 2017-1 A3	0200PAC7	01-31-17	404,964.60	403,112.38	06-15-21	1.700%	19.1250	306.01		573.75	573.75			306.01	306.01	405,000.00
FORD ABS 2017-A A3	34531EAD8	01-25-17	1,199,995.56	1,192,491.84	06-25-21	1.670%	55.6667	890.67		1,670.00	1,670.00			890.67	890.67	1,200,000.00
TOYOTA ABS 2017-B A3	89190BAD0	05-17-17	1,799,861.94	1,788,135.30	07-15-21	1.760%	88.0000	1,408.00		2,640.00	2,640.00			1,408.00	1,408.00	1,800,000.00
ALLY ABS 2017-2 A3	02007HAC5	03-29-17	1,444,829.63	1,439,697.43	08-15-21	1.780%	71.4472	1,143.16		2,143.42	2,143.42			1,143.16	1,143.16	1,445,000.00
HAROT 2017-2 A3	43814PAC4	09-29-17	329,964.26	327,526.35	09-18-21	1.790%	16.4083	213.31		492.25	492.25			213.31	213.31	330,000.00
JOHN DEERE ABS 2017-B A3	47788BAD6	07-18-17	599,956.08	595,522.74	10-15-21	1.820%	30.3333	485.33		910.00	910.00			485.33	485.33	600,000.00
AMXCA 2017-4 A	02582JHG8	05-30-17	679,891.06	676,482.97	12-15-21	1.640%	30.9778	498.67		929.33	929.33			498.67	498.67	680,000.00
CCCIT 2017-A3 A3	17305EG85	05-22-17	902,403.00	894,385.71	04-07-22	1.920%	48.0000	2,592.00		1,440.00				4,032.00	4,032.00	900,000.00
10.47%																
<b>FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION</b>																
FNMA	3136ANJY4	4-30-15	225,085.21	222,567.75	04-01-18	1.550%	9.5953	305.48		287.86	305.48			287.86	287.86	222,857.44
FNMA	3136ANJY4	4-30-15	13,779.41	13,643.03	12-25-17	1.550%	0.5874	0.00		0.00	0.00			0.00	0.00	13,643.03
FANNIE MEA	3136AQDQ0	10-30-15	402,320.52	397,004.98	09-01-19	1.646%	18.2126	299.96		546.38	1,087.16		787.20	546.38	546.38	398,331.66
FANNIE MEA	3136AQDQ0	10-30-15	62,385.45	61,766.92	12-25-17	1.646%	2.8241	0.00		0.00	0.00			0.00	0.00	61,766.92
FNA 2014-M6 A2	3136AJ7G5	12-15-16	2,025,466.00	2,002,409.03	05-25-21	2.679%	147.7390	4,464.18		4,432.17	4,587.68		(3,544.06)	764.61	764.61	1,985,294.80
FNA 2014-M6 A2	3136AJ7G5	12-15-16	15,002.75	14,705.20	12-25-17	2.679%	1.0943	0.00		0.00	0.00			0.00	-	14,705.20
2.92%																
<b>CASH AND CASH EQUIVALENTS</b>																
MONEY MARKET FUND	31846V534		826,694.19	826,694.19				516.31		321.77	516.31			321.77	321.77	0
LAIF			3,018,458.99	3,018,458.99				10,532.33		3,176.33				13,708.66	13,708.66	3,018,458.99
<b>MATURED/CALLED</b>																
JOHN DEERE CAPITAL CORP	24422ESR1	11-22-16	(904,114.67)	(900,000.00)	12-06-17											(900,000.00)
JOHN DEERE CAPITAL CORP	24422ESR1	11-22-16	(653,092.83)	(650,000.00)	12-15-17											(650,000.00)
FNMA	3136ANJY4	4-30-15	(13,779.41)	(13,643.03)	12-25-17											(13,643.03)
FANNIE MEA	3136AQDQ0	10-30-15	(62,385.45)	(61,766.92)	12-25-17											(61,766.92)
FNA 2014-M6 A2	3136AJ7G5	12-15-16	(15,002.75)	(14,705.20)	12-25-17											(14,705.20)
TOTAL LAIF			<u>3,018,458.99</u>	<u>3,018,458.99</u>												
TOTAL A/C 121100 & 112010			<u>89,649,345.32</u>	<u>88,858,837.95</u>												89,406,483.90
<b>TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)</b>			<u><b>89,649,345.32</b></u>	<u><b>88,858,837.95</b></u>				<u><b>324,878.05</b></u>	<u><b>2,368.09</b></u>	<u><b>123,778.51</b></u>	<u><b>41,774.07</b></u>		<u><b>(2,744.55)</b></u>	<u><b>406,506.03</b></u>	<u><b>404,137.94</b></u>	<u><b>89,406,483.90</b></u>

SAN MATEO COUNTY TRANSIT DISTRICT  
 RESERVE FOR CAPITAL PROJECTS -- INTEREST ON SECURITIES  
 December 31, 2017

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 12-31-17	MATURITY/CALL DATE	INT RATE	RATE/ DAY	APPL. DAYS	INTEREST REC'VBLE 11-30-17	PREPAID INT REC'VBLE 12-31-17	INTEREST EARNED 12-31-17	INTEREST RECEIVED 12-31-17	ADJ.	INTEREST REC'VBLE 12-31-17	INT REC'VBLE LESS PREPAID 12-31-17	PAR VALUE
<b>CASH AND CASH EQUIVALENTS</b>																
FIRST AMER US TREASURY MM	31846V534		8,150,978.72	8,155,458.50					4,479.78		5,144.31	4,479.78		5,144.31	5,144.31	
LAIF			77,830.18	77,830.18					150.50		81.90			232.40	232.40	77,830
<b>MATURED/CALLED</b>																
TOTAL LAIF			77,830.18	77,830.18												
TOTAL A/C 121100 & 112010			0.00	0.00												
<b>TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)</b>			<u>0.00</u>	<u>0.00</u>					<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**SAN MATEO COUNTY TRANSIT DISTRICT  
PARATRANSIT FUNDS -- INTEREST ON SECURITIES  
December 31, 2017**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 12-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST REC'BLE 11-30-17	PP INTEREST REC'BLE 12-31-17	INTEREST EARNED 12-31-17	INTEREST RECEIVED 12-31-17	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'BLE 12-31-17	INT REC'BLE LESS PREPAID 12-31-17	PAR VALUE
<b>U.S. TREASURY NOTES AND BONDS</b>																
US TREASURY NOTE	912828VF4	12-7-15	641,595.70	641,672.20	05-31-20	1.375%	24.8264	24.55		769.62			(8.46)	785.71	785.71	650,000.00
US TREASURY NOTE	912828VP2	5-18-16	816,631.64	791,296.39	07-31-20	2.000%	43.8889	5,280.98		1,360.56			(29.58)	6,611.96	6,611.96	790,000.00
US TREASURY NOTE	912828L32	6-29-16	81,462.50	78,831.28	8-31-20	1.375%	3.0556	282.03		94.72			(2.06)	374.69	374.69	80,000.00
US TREASURY NOTE	912828B90	10-5-16	181,323.24	174,897.45	02-28-21	2.000%	9.7222	889.50		301.39			(1.67)	1,189.23	1,189.23	175,000.00
US TREASURY NOTE	912828Q78	01-05-17	573,391.41	572,340.02	04-30-21	1.375%	22.3438	688.83		692.66			(3.83)	1,377.66	1,377.66	585,000.00
US TREASURY NOTE	912828D72	04-05-17	251,933.59	249,179.75	08-31-21	2.000%	13.8889	1,290.76		430.56			(9.36)	1,711.96	1,711.96	250,000.00
US TREASURY NOTE	912828D72	06-29-17	454,904.30	448,523.55	08-31-21	2.000%	25.0000	2,323.37		775.00			(16.85)	3,081.52	3,081.52	450,000.00
US TREASURY NOTE	912828D72	07-11-17	528,178.71	523,277.48	08-31-21	2.000%	29.1667	2,710.60		904.17			(19.67)	3,595.11	3,595.11	525,000.00
US TREASURY NOTE	912828T67	10-10-17	488,417.97	484,375.00	10-31-21	1.250%	17.3611	549.45		538.19			(5.91)	1,081.73	1,081.73	500,000.00
US TREASURY NOTE	912828T67	08-03-17	514,930.66	508,593.75	10-31-21	1.250%	18.2292	576.91		565.11			(6.21)	1,135.82	1,135.82	525,000.00
US TREASURY NOTE	912828T67	08-31-17	688,953.13	678,125.00	10-31-21	1.250%	24.3056	769.24		753.47			(8.28)	1,514.42	1,514.42	700,000.00
US TREASURY NOTE	912828X47	12-06-17	296,882.81	296,414.10	04-30-22	1.875%	15.6250	0.00	559.39	406.25			(2.24)	963.40	404.01	300,000.00
																21.72%
<b>FEDERAL AGENCY COLLETERIALIZED MORTGAGE OBLIGATION</b>																
FNMA	3136ANJY4	4-30-15	62,728.66	62,027.08	04-01-18	1.550%	2.6741	84.47		80.22	85.13			79.56	79.56	62,107.81
FNMA	3136ANJY4	4-30-15	3,840.17	3,840.17	12-25-17	1.550%	0.1637	0.00		0.00	0.00			0.00	0.00	3,802.16
FANIE MAE	3136AQDQ0	10-30-15	115,667.15	114,138.93	09-01-19	1.646%	5.2361	181.44		157.08	312.56			25.96	25.96	114,520.35
FANIE MAE	3136AQDQ0	10-30-15	17,935.82	17,757.99	12-25-17	1.646%	0.8119	0.00		0.00	0.00			0.00	0.00	17,757.99
FNA 2014-M6 A2	3136AJ7G5	12-15-16	557,003.15	550,662.48	05-25-21	2.679%	40.6282	1,227.65		1,218.85	1,261.61		33.73	1,218.62	1,218.62	545,956.07
FNA 2014-M6 A2	3136AJ7G5	12-15-16	4,125.76	4,043.93	12-25-17	2.679%	0.3002	0.00		0.00	0.00			0.00	0.00	4,033.93
																2.84%
<b>CORPORATE NOTE</b>																
JOHN DEERE CAPITALCORP	24422ETM1	01-06-17	199,870.00	199,555.40	10-15-18	1.650%	9.1667	421.67		275.00				696.67	696.67	200,000.00
TOYOTA MOTOR CREDIT CORP	89236TDM4	01-09-17	299,895.00	299,379.30	01-09-19	1.700%	14.1667	2,011.67		425.00				2,436.67	2,436.67	300,000.00
BERKSHIRE HATHAWY INC.	084670B1	12-23-16	502,830.00	500,238.00	08-14-19	2.100%	29.1667	3,120.83		875.00				3,995.83	3,995.83	500,000.00
AMERICAN HONDA FINANCE GLOBAL N	02665WAH4	12-20-16	502,485.00	500,747.50	08-15-19	2.250%	31.2500	3,312.50		937.50				4,250.00	4,250.00	500,000.00
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-16	199,900.00	198,224.20	10-18-19	1.550%	8.6111	370.28		258.33				628.61	628.61	200,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	149,821.50	148,451.70	10-30-19	1.700%	7.0833	219.58		212.50			0.01	432.09	432.09	150,000.00
AMERICAN EXP CREDIT CORP	0258MOEC9	10-31-16	350,066.50	346,387.30	10-30-19	1.700%	16.5278	512.36		495.83				1,008.19	1,008.19	350,000.00
PEIZER INC CORP NOTE	717081EB5	11-21-16	329,762.40	327,924.63	12-15-19	1.700%	15.5833	2,586.83		467.50	2,805.00			249.33	249.33	330,000.00
CITIGROUP INC	172967LF6	01-10-17	249,900.00	250,115.25	01-10-20	2.450%	17.0139	2,398.96		510.42				2,909.38	2,909.38	250,000.00
MICROSOFT CORP	594918BV5	02-06-17	249,832.50	249,260.75	02-06-20	1.850%	12.8472	1,477.43		385.42				1,862.85	1,862.85	250,000.00
WALT DISNEY CO CORP NOTES	25468DP8	03-06-17	99,974.00	99,675.00	03-04-20	1.950%	5.4167	471.25		162.50				633.75	633.75	100,000.00
APPLE INC BONDS	037833CS7	05-11-17	224,770.50	223,094.48	05-11-20	1.800%	11.2500	225.00		337.50				562.50	562.50	225,000.00
HOME DEPOT INC CORP NOTES	43707BQ4	06-05-17	124,927.50	124,006.00	06-05-20	1.800%	6.2500	1,100.00		187.50	1,125.00			162.50	162.50	125,000.00
MORGAN STANLEY CORP NOTE	6174467P8	11-10-16	558,125.00	536,090.50	07-24-20	5.500%	76.3889	9,701.39		2,291.67				11,993.06	11,993.06	500,000.00
CATERPILLAR FINL SERVE NOTE	1491302A6	09-07-17	184,844.60	182,840.31	09-04-20	1.850%	9.5069	798.58		285.21				1,083.79	1,083.79	185,000.00
WAL-MART STORES INC CORP NOTE	931142EA7	10-20-17	249,637.50	248,389.75	12-15-20	1.900%	13.1944	540.97		395.83			0.01	936.81	936.81	250,000.00
BRANCH MANKING & TRUST CORP NOI	05531FAZ6	10-26-17	124,942.50	123,817.50	02-01-21	2.150%	7.4653	261.28		223.96				485.24	485.24	125,000.00
PEPSICO INC CORP NOTE	71344DX3	10-10-17	164,967.00	163,123.13	04-15-21	2.000%	9.1667	467.50		275.00				742.50	742.50	165,000.00
BANK OF AMERICA CORP	06051GFW4	11-03-17	100,776.00	100,510.20	04-19-21	2.625%	7.2917	306.25		218.75				525.00	525.00	100,000.00
GOLDMAN SACHS GROUP CORP	3814GGQ1	11-28-16	496,651.50	487,705.95	07-27-21	5.250%	65.6250	8,137.50		1,968.75				10,106.25	10,106.25	450,000.00
BANK OF AMERICA CORP	06051GGS2	09-18-17	160,000.00	159,548.96	10-01-21	2.328%	10.3467	755.31		310.40				1,065.71	1,065.71	160,000.00
JOHN DEERE CAPITALCORP	24422ETL3	03-15-17	114,492.85	115,669.65	01-06-22	2.650%	8.4653	1,227.47		253.96			(0.01)	1,481.42	1,481.42	115,000.00
JPMORGAN CHASE & CO CORP NOTES	46625HUD3	05-26-17	270,455.00	267,513.00	01-24-22	4.500%	31.2500	3,968.75		937.50				4,906.25	4,906.25	250,000.00
																22.70%
<b>COMMERCIAL PAPER</b>																
BNP PARIBAS NY BRANCH COMM PAPE	09659BZ11	03-06-17	544,513.75	550,000.00	12-01-17	0.000%		0.00		5,486.25	5,486.25			0.00	0.00	550,000.00
BANK OF TOKYO MITSUBISHI UFI LTD	06538CBG5	05-23-17	247,253.96	249,449.00	02-16-18	0.000%		0.00		0.00	0.00			0.00	0.00	250,000.00
CREDIT AGRICOLE CIB NY COMM PAPEI	22533UEV1	11-30-17	495,925.00	496,286.00	05-29-18	0.000%		0.00		0.00	0.00			0.00	0.00	500,000.00
BANK OF MONTREAL CHICAGO	06366HF44	09-08-17	543,943.94	545,766.65	06-04-18	0.000%		0.00		0.00	0.00			0.00	0.00	550,000.00
ING (US) FUNDING LLC COMM PAPER	4497W1G26	10-13-17	494,177.78	495,454.50	07-02-18	0.000%		0.00		0.00	0.00			0.00	0.00	500,000.00
BNP PARIBAS NY BRANCH COMM PAPE	09659CHUS	12-01-17	493,475.00	493,651.00	08-28-18	0.000%		0.00		0.00	0.00			0.00	0.00	500,000.00

**SAN MATEO COUNTY TRANSIT DISTRICT  
PARATRANSIT FUNDS -- INTEREST ON SECURITIES  
December 31, 2017**

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL PURCHASE PRICE	MARKET VALUE 12-31-17	MATURITY/CALL DATE	INT RATE	RATE/DAY	INTEREST REC'VBLE 11-30-17	PP INTEREST REC'VBLE 12-31-17	INTEREST EARNED 12-31-17	INTEREST RECEIVED 12-31-17	PP INTEREST RECEIVED DATE	ADJ.	INTEREST REC'VBLE 12-31-17	INT REC'VBLE LESS PREPAID 12-31-17	PAR VALUE
																9.03%
<b><u>CERTIFICATE OF DEPOSIT</u></b>																
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	12-05-16	499,610.00	498,944.50	11-30-18	1.7600%	24.4444	24.44		733.33			24.45	782.22	782.22	500,000.00
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	01-12-17	500,000.00	497,789.50	01-10-19	1.8900%	26.2500	3,780.00		787.50			26.25	4,593.75	4,593.75	500,000.00
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-06-17	500,000.00	498,190.00	04-05-19	1.9100%	26.5278	1,512.08		795.83			26.53	2,334.44	2,334.44	500,000.00
SUMITOMO MITSUI BANK NY CD	86563YVNO	05-04-17	500,000.00	499,658.00	05-03-19	2.0500%	28.4722	797.22		854.17				1,651.39	1,651.39	500,000.00
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	11-17-17	500,000.00	497,299.00	11-16-20	2.2700%	31.5278	441.39		945.83			31.53	1,418.75	1,418.75	500,000.00
																9.82%
<b><u>FEDERAL AGENCY BOND/NOTE</u></b>																
FHLB GLOBAL NOTES	3137EAE7	09-16-16	84,963.45	84,399.05	12-06-17	0.8750%	2.0660	101.23		10.33	111.56			(0.00)	(0.00)	85,000.00
FEDERAL HOME LOAN BANK AGENCY	3130AAXX1	03-10-17	498,840.00	497,108.00	03-18-19	1.3750%	19.0972	1,394.10		572.92			(0.01)	1,967.01	1,967.01	500,000.00
FEDERAL HOME LOAN BANK AGENCY	3130AAXX1	03-10-17	99,768.00	99,473.00	12-06-17	1.3750%	3.8194	278.82		19.10	297.92			0.00	0.00	100,000.00
FHLMC	3137EAE1	7-20-16	748,185.00	738,273.00	07-19-19	0.8750%	18.2292	2,406.25		546.88				2,953.13	2,953.13	750,000.00
FNMA	3135GON33	08-02-16	479,193.60	472,307.04	08-02-19	0.8750%	11.6667	1,388.33		350.00				1,738.33	1,738.33	480,000.00
FHLB GLOBAL NOTES	3130A8Y72	08-04-16	174,664.00	172,154.33	08-05-19	0.8750%	4.2535	493.40		127.61				621.01	621.01	175,000.00
FNMA NOTES	3135GOP49	09-02-16	798,752.00	788,199.20	08-28-19	1.0000%	22.2222	2,066.69		666.67				2,733.36	2,733.36	800,000.00
FNMA NOTES	3130A9EP2	09-09-16	799,304.00	787,744.00	09-26-19	1.0000%	22.2222	1,444.44		666.67				2,111.11	2,111.11	800,000.00
FNMA NOTES	3135GOT29	02-28-17	339,782.40	336,471.82	02-28-20	1.5000%	14.1667	1,317.50		425.00				1,742.50	1,742.50	340,000.00
FHLMC AGENCY	3137EAEF2	04-20-17	348,803.00	345,052.75	04-20-20	1.3750%	13.3681	548.09		401.04				949.13	949.13	350,000.00
FNMA NOTES	3135GOT60	08-01-17	398,788.00	395,052.00	04-20-20	1.5000%	16.6667	2,000.00		500.00				2,500.00	2,500.00	400,000.00
FHLB NOTES	3130ACE26	09-08-17	84,727.15	83,518.79	09-28-20	1.5000%	3.5417	204.53		106.25			(8.85)	301.93	301.93	85,000.00
FHLMC NOTES	3137EAEJ4	09-29-17	164,701.35	163,115.04	09-29-20	1.5000%	6.8750	461.77		206.25			17.19	685.21	685.21	165,000.00
FHLB GLOBAL NOTE	3130A8Q55	7-15-16	516,837.88	502,724.04	07-14-21	1.1250%	16.2500	2,226.25		487.50				2,713.75	2,713.75	520,000.00
FNMA NOTES	3135GON82	8-19-16	597,658.06	581,415.60	08-17-21	1.2500%	20.8333	2,166.67		625.00				2,791.67	2,791.67	600,000.00
																23.43%
<b><u>ASSET BACKED SECURITY/COLLATERALIZED MORTGAGE OBLIGATION</u></b>																
CCIT 2017-A2 A2	17305EGA7	01-26-17	449,913.83	448,996.10	01-17-21	1.7400%	21.7500	2,914.50		652.50				3,567.00	3,567.00	450,000.00
TOYOTA ABS 2017-A A3	89238MADO	03-15-17	124,985.29	124,381.19	02-15-21	1.7300%	6.0069	96.11		180.21	180.21			96.11	96.11	125,000.00
ALLY ABS 2017-1 A3	02007PAC7	01-31-17	114,989.95	114,464.01	06-15-21	1.7000%	5.4306	86.89		162.92	162.92			86.89	86.89	115,000.00
FORD ABS 2017-A A3	34531EAD8	01-25-17	349,998.71	347,810.12	06-25-21	1.6700%	16.2361	259.78		487.08	487.08			259.78	259.78	350,000.00
TOYOTA ABS 2017-B A3	89190BADO	05-17-17	499,961.65	496,704.25	07-15-21	1.7600%	24.4444	391.11		733.33	733.33			391.11	391.11	500,000.00
ALLY ABS 2017-2 A3	02007HAC5	03-29-17	399,952.84	398,532.16	08-15-21	1.7800%	19.7778	316.44		593.33	593.33			316.44	316.44	400,000.00
HAROT 2017-3 A3	43814PAC4	09-29-17	99,989.17	99,250.41	09-18-21	1.7900%	4.9722	64.64		149.17	149.17			64.64	64.64	100,000.00
JOHN DEERE ABS 2017-B A3	47788BAD6	07-18-17	169,987.56	168,731.44	10-15-21	1.8200%	8.5944	137.51		257.83	257.83			137.51	137.51	170,000.00
AMXCA 2017-4 A	02582JHG8	05-30-17	199,967.96	198,965.58	12-15-21	1.6400%	9.1111	145.78		273.33	273.33		0.06	145.84	145.84	200,000.00
CCIT 2017-A3 A3	170305EG85	05-22-17	250,667.50	248,440.48	04-07-22	1.9200%	13.3333	720.00		400.00				1,120.00	1,120.00	250,000.00
																10.45%
<b><u>CASH AND CASH EQUIVALENTS</u></b>																
MONEY MARKET FUND	31846V534		56,112.56	56,112.56				47.80		31.07	47.80			31.07	31.07	0
LAIF			1,042,599.66	1,042,599.66				2,016.08	0.00	1,097.13				3,113.21	3,113.21	1,042,600
<b><u>MATURED/CALLED</u></b>																
FNMA	3136ANJY4	4-30-15	(3,840.17)	(3,840.17)	12-25-17											(3,802.16)
FANIE MAE	3136AQDQ0	10-30-15	(17,935.82)	(17,757.99)	12-25-17											(17,757.99)
FNA 2014-M6 A2	3136AJ7G5	12-15-16	(4,125.76)	(4,043.93)	12-25-17											(4,033.93)
BNP PARIBAS NY BRANCH COMM PAPER	09659BZ11	03-06-17	(544,513.75)	(550,000.00)	12-01-17											(550,000.00)
FHLB GLOBAL NOTES	3137EAE7	09-16-16	(84,963.45)	(84,399.05)	12-06-17											(85,000.00)
FEDERAL HOME LOAN BANK AGENCY	3130AAXX1	03-10-17	(99,768.00)	(99,473.00)	12-06-17											(100,000.00)
TOTAL LAIF			1,042,599.66	1,042,599.66												
TOTAL A/C 122010			25,547,968.05	25,308,522.42												25,457,584.23
<b>TOTAL (EXCLUDE LAIF AND CASH/CASH EQUIVALENTS)</b>			<b>25,547,968.05</b>	<b>25,308,522.42</b>				<b>91,459.10</b>	<b>559.39</b>	<b>40,942.71</b>	<b>14,322.23</b>	<b>0.00</b>	<b>36.77</b>	<b>118,675.75</b>	<b>118,116.36</b>	<b>25,457,584.23</b>

SAN MATEO COUNTY TRANSIT DISTRICT  
SUMMARY OF BUDGET ACTIVITY FOR DECEMBER 2017

BUDGET AMENDMENTS

	Amount	Line Item		Description
Dec-17				No Budget Revisions in December 2017.
	<u>\$ -</u>	Total	<u>\$ -</u>	Total

BUDGET REVISIONS

	Amount	Line Item		Description
Dec-17				No Budget Revisions in December 2017.
	<u>\$ -</u>	Total	<u>\$ -</u>	Total

SAN MATEO COUNTY TRANSIT DISTRICT  
1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS  
FY2018  
December 2017

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Approved Budget		Receipts		Over/(Under) Budget/Projection	Current Projection
Date	Amount	Date	Amount		
<b>FY2017:</b>					
1st Quarter	19,338,441	1st Quarter	18,526,400	(812,041)	18,526,400
2nd Quarter	20,753,590	2nd Quarter	22,306,576	1,552,986	22,306,576
3rd Quarter	21,051,276	3rd Quarter	19,175,737	(1,875,539)	19,175,737
4th Quarter	21,856,693	4th Quarter	24,344,172	2,487,479	24,344,172
<b>FY2017 Total</b>	<b>83,000,000</b>	<b>FY2017 Total</b>	<b>84,352,885</b>	<b>1,352,885</b>	<b>84,352,885</b>
<b>FY2018:</b>					
Jul. 17	6,173,245	Sep. 17	5,760,900	(412,345)	6,173,245
Aug. 17	6,173,245	Oct. 17	5,760,900	(412,345)	6,173,245
Sep. 17	9,148,973	Nov. 17	7,681,200	(1,467,773)	9,148,973
3 Months Total	21,495,463		19,203,000	(2,292,463)	21,495,463
Oct. 17	6,484,778	Dec. 17	9,703,262	3,218,484	6,484,778
Nov. 17	6,279,663	Jan. 18			6,279,663
Dec. 17	9,645,126	Feb. 18			9,645,126
6 Months Total	43,905,030		28,906,262	926,021	43,905,030
Jan. 18	5,525,697	Mar. 18			5,525,697
Feb. 18	5,504,678	Apr. 18			5,504,678
Mar. 18	7,882,317	May 18			7,882,317
9 Months Total	62,817,722		28,906,262	926,021	62,817,722
Apr. 18	6,117,920	Jun. 18			6,117,920
May 18	6,103,123	Jul. 18			6,103,123
Jun. 18	9,621,235	Aug. 18			9,621,235
<b>FY2018 Total</b>	<b>84,660,000</b>	<b>FY2018 Total</b>	<b>28,906,262</b>	<b>926,021</b>	<b>84,660,000</b>
	21,083,118	1st Quarter			
	23,747,933	2nd Quarter			
		3rd Quarter			
		4th Quarter			
	<b>44,831,051</b>	YTD Actual Per Statement of Revenue & Expenses			

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **QUARTERLY INVESTMENT REPORT AND FIXED INCOME MARKET REVIEW AND  
OUTLOOK**

**ACTION**

Staff proposes the Finance Committee recommend the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended December 31, 2017.

**SIGNIFICANCE**

The San Mateo County Transit District (District) Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. The Investment Report was forwarded to the Board of Directors under separate cover in order to meet the 30-day requirement.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

The District is required by State law to submit quarterly reports within 30 days of the end of the quarter covered by the report. The report is required to include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments, and money held by the local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the local agency or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund (LAIF), a current market value as of the date of the report and the source of this information;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and,
5. Statement that the local agency has the ability to meet its pool's expenditure requirements(cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on pages 10, 11, 12, and 13. The schedule separates the investments into three groups: the investments managed by PFM Asset Management LLC (PFM), liquidity funds which are managed by District staff, and trust funds which are managed by a third party trustee. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds, while the bond covenants govern the management and reporting of the trust funds.

PFM provides the District a current market valuation of all the assets under its management for each quarter. Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

The liquidity funds managed by District staff are considered to be cash equivalents and therefore market value is considered to be equal to book value, (i.e. cost). The shares of beneficial interest generally establish a nominal value per share, because the Net Asset Value is fixed at a nominal value per share, book and market value are equal, and rate of income is recalculated on a daily basis.

The portfolio and this Quarterly Investment Report comply with the Investment Policy and the provisions of Senate Bill 564 (1995). The District has the ability to meet its expenditure requirements for the next six months.

## **DISCUSSION**

### **Summary**

- The fourth quarter came to a close with an exclamation point from Washington as lawmakers agreed on an historic tax cut bill. The tax overhaul is projected to provide an economic boost, for at least the near term, as the top corporate tax rate was slashed from 35% to 21% and personal tax levels were reduced across the board. While the long-term impact is yet to be determined, immediate market reaction has been positive.
- True to their "dot plot" forecasts, the Federal Open Market Committee (FOMC or Fed) raised the federal funds target rate by a quarter of percent to a range of 1.25% to 1.50% at its December meeting. This marked the third time in calendar year 2017 that the Fed raised rates. The FOMC also provided projections that include three more expected hikes in 2018. Across the pond, the United Kingdom bumped its overnight rate back up to 0.50%, following a temporary cut to 0.25% following the 2016 Brexit vote.
- Early 2018 will see a changeover at the Fed as Chair Janet Yellen will be replaced by Jerome Powell. As an existing Federal Reserve board member, Mr. Powell is viewed as a "Republican version of Yellen" and someone who is likely to follow a

similar path for modest tightening of monetary policy amid stubbornly low inflation. Perhaps in contrast, he has voiced a preference for tailoring regulations to relieve the burden on smaller community banks.

- While bond yields generally increased over the quarter, so did equity prices. The S&P 500 index returned 6.6% for the quarter, setting multiple new record highs. The Dow Jones Industrial Average crossed both 23,000 and 24,000, levels never before breached, while the NASDAQ finished the year up over 30%.

### **Economic Snapshot**

- The U.S. economy notched back-to back quarters of solid growth with GDP increasing at a 3.2% real rate for the third quarter, following a second quarter tally of 3.1%. 2017 capped the 8<sup>th</sup> straight year of recovery from 2008-09 Great Recession – the third longest expansion of the past century. Initial fourth quarter estimates are for growth in the 2.5% to 3% range, with consumer spending and business investment fueling the growth.
- The U.S. labor market remained strong, with the unemployment rate holding at a 15-year low of 4.1% during the quarter. Although job gains in December were disappointing, the economy added over 2 million net new jobs in 2017. At the same time, the labor force participation rate improved modestly, while wage growth over the past year was modest.
- Prices remained well contained, running below the Fed's desired 2% target for core inflation. But, oil and other commodities like copper rebounded in the second half of the year.
- Outside of inflation, economic indicators have been strong: manufacturing, services and consumer confidence indexes reaches multi-year highs, housing markets strengthened further, and positive real GDP growth across the globe serve as positive backdrop for the new year.

### **Interest Rates**

- Shorter-term Treasury yields (5 years and under) increased in the fourth quarter, largely on the run-up to the December FOMC rate hike. Long-term Treasury yields (10 years and longer) moved in the opposite direction, with the yield on the 30-year Treasury actually declining 12 basis points. This resulted in a much flatter yield curve.
- In the cash and money market segment, yields on Treasury maturities less than one year increase 30 to 45 basis points in lockstep with the Fed's expected rate hike trajectory. The increase of shorter Treasury yields led the market; yield increases on short credit (commercial paper and certificates of deposit) did not initially keep up. The result was tighter short-term credit spreads that persisted through quarter-end.

### U.S. Treasury Yield Curve



### U.S. Treasury Yields

Maturity	Dec '17	Sep '17	Change over Quarter	Dec '16	Change over Year
3-month	1.38%	1.05%	0.33%	0.50%	0.88%
1-year	1.74%	1.29%	0.45%	0.81%	0.93%
2-year	1.89%	1.49%	0.40%	1.19%	0.70%
5-year	2.21%	1.94%	0.27%	1.93%	0.28%
10-year	2.41%	2.33%	0.08%	2.45%	(0.04%)
30-year	2.74%	2.86%	(0.12%)	3.07%	(0.33%)

### Sector Performance

- U.S. Treasury benchmark returns, with the exception of the longest maturity benchmarks, were negative for the fourth quarter as investment income was not able to fully offset the adverse impact of increasing interest rates on fixed income prices.

- Federal agency securities performed in line with similar maturity Treasuries, as the sector's narrow yield spreads provided little to no incremental income benefit, and relatively unchanged spreads over the quarter muted any additional excess return.
- Corporate yield spreads tightened further, as spreads in the sector reached new-post recession tight. As a result, the corporate sector performed well in the quarter. Despite narrow spreads, corporate securities still offer risk-adjusted income pick-up. The sector is supported with a positive economic landscape and corporate fundamentals and is poised for additional excess return potential over the near term.
- The mortgage backed securities (MBS) sector performed well in the fourth quarter, generally outperforming Treasury and federal agency benchmarks; but, excess returns varied based on specific security structure.
- High-quality asset-backed securities (ABS) also performed positively relative to Treasuries, as their yield spread narrowed, and were near the top of the best performer for the quarter.
- Short-term commercial paper and bank CDs continued to offer incremental value relative to both short-and intermediate-term government securities. The incremental yield advantage offered in these sectors is a valuable return attribute in the face of rising rates.

### **Portfolio Recap**

- Yields continued to climb during the fourth quarter, with some short-and intermediate-term yields reaching highs not seen since 2008. However, in this era of gradually increasing interest rates, new purchases were weighed against the probability for further rate increases and their potential to diminish the market value of portfolio investments. In this flat yield curve environment, we emphasized maturity selection.
- We continued to maintain the portfolio's duration in line with the benchmark's duration to minimize return volatility.
- Strong investor appetite for high-quality alternatives to U.S. Treasuries caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in positive relative performance for non-Treasury sectors.
  - The yield spreads on federal agency securities vs. comparable-maturity Treasuries remained near historic lows, in some cases near zero, leading to diminished value of the agency sector.

- Corporate yield spreads also remained near multi-year lows as investors reaching for yield piled into a limited market supply of investment-grade securities, leading the corporate sector to deliver its ninth straight quarter of outperformance relative to U.S. Treasuries.
- Short-term commercial paper (CP) and negotiable bank certificates of deposit (CDs) continued to offer value during the quarter. Although the Fed's December meeting caused CP/CD spreads to narrow, issuance has pickup up and CP/CD yields have risen, widening the spread over similar-dated Treasuries.
- Asset-backed securities (ABS) performed positively relative to Treasuries. Further spread compression in the ABS sector is likely to be limited given that current level spreads sit at historically tight levels.

### **Outlook and Strategy**

- The U.S. economy is generally on strong footing heading into the New Year, bolstered by expanding economic activity, a strong jobs market, and gains in housing. However, the continued rise of the domestic stock market, coupled with low volatility, may point to investor complacency.
- The Federal Reserve recently reiterated its intentions to continue to gradually increase rates into 2018. However, persistently low inflation readings may derail these plans. In this uncertain environment, we plan to adopt a duration-neutral stance but will continue to carefully monitor the portfolio's duration relative to the benchmark's duration, making adjustments as appropriate.
- Federal Agency issuance is expected to resume in the new year, but the overall level is expected to be slower than 2017. Given the flatness of the yield curve and narrow bullet agency spreads, we may seek value in callable agency securities where we find them advantageous.
- We will continue to focus on exposure to the corporate sector as well as other spread products to add value to the portfolio.
- The mortgage-backed securities (MBS) sector may experience some turbulence once the pace of tapering increases in future months. For that reason, we are generally avoiding additional MBS allocations at this time.
- Broad diversification across all investment-grade sectors remains a key component of our portfolio strategy. We will continue to monitor the markets and will make relative-value trades as appropriate in order to safely enhance portfolio earnings. However, as always, while we continue to seek opportunities to enhance the earning, our priority will always be to maintain the safety and liquidity of portfolio investments.

## **Budget Impact**

Total return is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance as it is the actual return on investment during a specific time interval. For the quarter ending December 31, the total return of the General Funds portfolio was **-0.19 percent**. The Paratransit Fund portfolio returned **-0.20 percent**. This compares to the benchmark return of **-0.25 percent**. The Performance graph on page 14 shows the relative performance of the District's portfolio over the last 12 months.

The yield at cost represents the yield on a fixed-income security at its current rate (at the time of purchase) of return until maturity equivalent to the annual percentage rate of interest an investor would receive for investing the purchase price of a given security in a bank account that paid interest semiannually. As of the end of the quarter, the yield to maturity at cost for the General Fund's portfolio was **1.70 percent**. The yield to maturity at cost for the Paratransit Fund's portfolio was **1.69 percent**.

The yield at market is the yield that an investor can expect to receive in the current interest rate environment utilizing a buy-and-hold investment strategy. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending December 31, the General Fund and Paratransit Fund's portfolio market yield to maturity was **2.02 percent**.

Prepared by: Connie Mobley-Ritter, Director - Treasury

650-508-7765

## **Investment Glossary:**

**Asset Backed Securities** - An asset-backed security (ABS) is a financial security backed by a loan, lease or receivables against assets other than real estate and mortgage-backed securities. For investors, asset-backed securities are an alternative to investing in corporate debt.

**Certificate of Deposit** - A certificate of deposit (CD) is a savings certificate with a fixed maturity date, specified fixed interest rate and can be issued in any denomination aside from minimum investment requirements. A CD restricts access to the funds until the maturity date of the investment. CDs are generally issued by commercial banks and are insured by the FDIC up to \$250,000 per individual.

**Collateralized Mortgage Obligation** - Collateralized mortgage obligation (CMO) refers to a type of mortgage-backed security that contains a pool of mortgages bundled together and sold as an investment. Organized by maturity and level of risk, CMOs receive cash flows as borrowers repay the mortgages that act as collateral on these securities. In turn, CMOs distribute principal and interest payments to their investors based on predetermined rules and agreements.

**Commercial Paper** - Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper rarely range any longer than 270 days. Commercial paper is usually issued at a discount from face value and reflects prevailing market interest rates.

**Credit Spreads** - The **spread** between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

**Duration** - The term duration has a special meaning in the context of bonds. It is a measurement of how long, in years, it takes for the price of a bond to be repaid by its internal cash flows. It is an important measure for investors to consider, as bonds with higher durations carry more risk and have higher price volatility than bonds with lower durations.

**Net Asset Value** - Net asset value (NAV) is value per share of a mutual fund or an exchange-traded fund (ETF) on a specific date or time. With both security types, the per-share dollar amount of the fund is based on the total value of all the securities in its portfolio, any liabilities the fund has and the number of fund shares outstanding.

**Roll-down** - A roll-down return is a form of return that arises when the value of a bond converges to par as maturity is approached. The size of the roll-down return varies greatly between long and short-dated bonds. Roll-down is smaller for long-dated bonds that are trading away from par compared to bonds that are short-dated.

Roll-down return works two ways in respect to bonds. The direction depends on if the bond is trading at a premium or at a discount. If the bond is trading at a discount the roll-down effect will be positive. This means the roll-down will pull the price up towards par. If the bond is trading at a premium the opposite will occur. The roll-down return will be negative and pull the price of the bond down back to par.

**Volatility** - Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.

**Yield Curve** - A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year, and 30-year U.S. Treasury debt. This yield curve is used as a benchmark for other debt in the market, such as mortgage rates or bank lending rates, and it is also used to predict changes in economic output and growth.

**Yield to Maturity** - Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate. In other words, it is the internal rate of return of an investment in a bond if the investor holds the bond until maturity and if all payments are made as scheduled.

Source: Investopedia.com

## EXHIBIT 1

**SAN MATEO COUNTY TRANSIT DISTRICT  
REPORT OF INVESTMENTS  
FOR QUARTER ENDED DECEMBER 31, 2017**

TYPE OF SECURITY	CUSIP #	MATURITY/CALL DATE	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE +ACCR. INT.
<b>FUNDS MANAGED BY PFM</b>							
<b><u>RESERVE FUND PORTFOLIO</u></b>							
<b><u>U.S. TREASURY NOTES AND BONDS</u></b>							
US TREASURY NOTE	912828ST8	04-30-19	65,000.00	64,987.30	64,484.55	139.16	64,623.71
US TREASURY NOTE	912828VF4	05-31-20	1,870,000.00	1,845,821.49	1,846,041.56	2,260.44	1,848,302.00
US TREASURY NOTE	912828VP2	07-31-20	1,650,000.00	1,705,623.04	1,652,707.65	13,809.78	1,666,517.43
US TREASURY NOTE	912828L32	08-31-20	410,000.00	417,495.32	404,010.31	1,925.38	405,935.69
US TREASURY NOTE	912828Q78	04-30-21	2,000,000.00	1,960,312.50	1,956,718.00	4,709.94	1,961,427.94
US TREASURY NOTE	912828R77	05-31-21	1,400,000.00	1,363,632.81	1,368,500.00	1,692.31	1,370,192.31
US TREASURY NOTE	912828D72	08-31-21	1,000,000.00	1,007,734.38	996,719.00	6,847.79	1,003,566.79
US TREASURY NOTE	912828D72	08-31-21	1,500,000.00	1,516,347.66	1,495,078.50	10,271.67	1,505,350.17
US TREASURY NOTE	912828D72	08-31-21	2,200,000.00	2,213,320.31	2,192,781.80	15,065.31	2,207,847.11
US TREASURY NOTE	912828T67	10-31-21	1,100,000.00	1,074,519.53	1,065,625.00	2,367.98	1,067,992.98
US TREASURY NOTE	912828T67	10-31-21	1,550,000.00	1,520,271.48	1,501,562.50	3,336.70	1,504,899.20
US TREASURY NOTE	912828T67	10-31-21	3,100,000.00	3,051,078.13	3,003,125.00	6,735.22	3,009,860.22
US TREASURY NOTE	912828X47	04-30-22	1,270,000.00	1,256,803.91	1,254,819.69	4,078.38	1,258,898.07
<b><u>GOVERNMENT BONDS</u></b>							
FHLMC	3137EAE81	07-19-19	2,700,000.00	2,693,466.00	2,657,782.80	10,631.26	2,668,414.06
FNMA	3135GON33	08-02-19	1,600,000.00	1,597,312.00	1,574,356.80	5,794.44	1,580,151.24
FHLB GLOBAL NOTE	3130A8Y72	08-05-19	450,000.00	449,136.00	442,682.55	1,596.88	444,279.43
FHMA NOTES	3135GOP49	08-28-19	2,700,000.00	2,695,788.00	2,660,172.30	9,225.00	2,669,397.30
FHLB GLOBAL NOTE	3130A9EP2	09-26-16	2,700,000.00	2,697,651.00	2,658,636.00	7,125.00	2,665,761.00
FHMA NOTES	3135GOT29	02-28-20	1,300,000.00	1,299,168.00	1,286,509.90	6,662.50	1,293,172.40
FHLMC AGENCY	3137EAEF2	04-20-20	1,300,000.00	1,295,554.00	1,281,624.50	3,525.35	1,285,149.85
FHMA NOTES	3135GOT60	07-30-20	1,500,000.00	1,495,455.00	1,481,445.00	9,375.00	1,490,820.00
FHLB NOTES	3130ACE26	09-28-20	440,000.00	438,587.60	432,332.56	1,562.92	433,895.48
FHLB NOTES	3137EAEJ4	09-29-20	580,000.00	578,950.20	573,374.08	2,408.61	575,782.69
FHLB GLOBAL NOTE	3130A8QS5	07-14-21	2,700,000.00	2,683,581.30	2,610,297.90	14,090.63	2,624,388.53
FNMA NOTES	3135GON82	08-17-21	475,000.00	473,375.03	460,287.35	2,210.07	462,497.42
FNMA NOTES	3135GON82	08-17-21	1,525,000.00	1,518,823.75	1,477,764.65	7,095.49	1,484,860.14
<b><u>FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION</u></b>							
FNMA	3136ANJY4	04-01-18	222,857.44	225,085.21	222,567.75	287.86	222,855.61
FANNIE MEA	3136AQDQ0	09-01-19	398,331.66	402,320.52	397,004.98	546.38	397,551.36
FNA 2014-M6 A2	3136AJ7G5	05-25-21	1,985,294.80	2,025,466.00	2,002,409.03	764.61	2,003,173.64
<b><u>CORPORATE NOTE</u></b>							
JOHN DEERE CAPITAL CORP	24422ETM1	10-15-18	800,000.00	799,480.00	798,221.60	2,786.67	801,008.27
TOYOTA MOTOR CORP	89236TDM4	01-09-19	1,100,000.00	1,099,615.00	1,097,724.10	8,934.44	1,106,658.54
BERKSHIRE HATHWAY GLOBAL NOTE	084670BL1	08-14-19	1,800,000.00	1,810,188.00	1,800,856.80	14,385.00	1,815,241.80
AMERICAN HONDA FINANCE GLOBAL NOTES	02665WHA4	08-15-19	1,800,000.00	1,808,946.00	1,802,691.00	15,300.00	1,817,991.00
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-19	670,000.00	669,665.00	664,051.07	2,105.85	666,156.92
AMERICAN EXP CREDIT CORP	0258MOEC9	10-30-19	500,000.00	499,405.00	494,839.00	1,440.28	496,279.28
AMERICAN EXP CREDIT CORP	0258MOEC9	10-30-19	1,100,000.00	1,100,209.00	1,088,645.80	3,168.61	1,091,814.41
PEIZER INC CORP NOTE	717081EB5	12-15-19	1,185,000.00	1,184,146.80	1,177,547.54	895.33	1,178,442.87
CITIGROUP INC	172967LF6	01-10-20	900,000.00	899,640.00	900,414.90	10,473.75	910,888.65
MICROSOFT CORP	594918BV5	02-06-20	900,000.00	899,397.00	897,338.70	6,706.25	904,044.95
WALT DISNEY CO CORP NOTES	25468PDP8	03-04-20	380,000.00	379,901.20	378,765.00	2,408.25	381,173.25
APPLE INC BONDS	037833CS7	05-11-20	820,000.00	819,163.60	813,055.42	2,050.00	815,105.42
HOME DEPOT INC CORP NOTES	437076BQ4	06-05-20	450,000.00	449,739.00	446,421.60	585.00	447,006.60
MORGAN STANLEY CORP NOTE	6174467P8	07-24-20	1,800,000.00	2,009,250.00	1,929,925.80	43,175.00	1,973,100.80
CATERPILLAR FINL SERVICE NOTE	14913Q2A6	09-04-20	650,000.00	649,454.00	642,411.90	3,807.92	646,219.82
WAL-MART STORES INC CORP NOTE	931142EA7	12-15-20	900,000.00	898,695.00	894,203.10	3,372.50	897,575.60
BRANCH MANKING & TRUST CORP NOTES	05531FAZ6	02-01-21	450,000.00	449,793.00	445,743.00	1,746.88	447,489.88
PEPSICO INC CORP NOTE	71344DX3	04-15-21	600,000.00	599,880.00	593,175.00	2,700.00	595,875.00
BANK OF AMERICA CORP	06051GFW4	04-19-21	350,000.00	352,716.00	351,785.70	1,837.50	353,623.20
GOLDMAN SACHS GROUP CORP	3814GGQ1	07-27-21	1,600,000.00	1,765,872.00	1,734,065.60	35,933.33	1,769,998.93
BANK OF AMERICA CORP	06051GGS2	10-01-21	550,000.00	550,000.00	548,449.55	3,663.37	552,112.92
JOHN DEERE CAPITAL CORP	2442ETL3	01-06-22	450,000.00	448,015.50	452,620.35	5,796.88	458,417.23
JPMORGAN CHASES & CO CORP NOTES	46625HJD3	01-24-22	900,000.00	973,638.00	963,046.80	17,662.50	980,709.30

**SAN MATEO COUNTY TRANSIT DISTRICT  
REPORT OF INVESTMENTS (Continued)  
FOR QUARTER ENDED DECEMBER 31, 2017**

TYPE OF SECURITY	CUSIP #	MATURITY/CALL DATE	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<b><u>COMMERCIAL PAPER</u></b>							
BANK OF TOKYO MITSUBISHI UFJ LTD	06538CBG5	02-16-18	800,000.00	791,212.67	798,236.80	0.00	798,236.80
BNP PARIBAS NY BRANCH COMM PAPER	09659CC71	03-07-18	1,800,000.00	1,781,775.00	1,794,717.00	0.00	1,794,717.00
CREDIT AGRICOLE CIB NY COMM PAPER	22533UF16	06-01-18	1,800,000.00	1,784,803.00	1,786,332.60	0.00	1,786,332.60
BANK OF MONTREAL CHICAGO COMM PAPER	06366HF44	06-04-18	1,800,000.00	1,780,180.17	1,786,145.40	0.00	1,786,145.40
ING (US) FUNDING LLC COMM PAPER	4497W1G26	07-02-18	1,800,000.00	1,779,040.00	1,783,636.20	0.00	1,783,636.20
BANK OF TOKYO MITS UFJ LTD COMM PAPER	06538CGL9	06-04-18	1,000,000.00	987,745.56	989,703.00	0.00	989,703.00
<b><u>CERTIFICATION OF DEPOSIT</u></b>							
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	11-30-18	1,800,000.00	1,798,596.00	1,796,200.20	2,816.00	1,799,016.20
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	01-10-19	1,800,000.00	1,800,000.00	1,792,042.20	16,537.50	1,808,579.70
BANK OF NOVA SCOTIA HOUSTON LT CD	06417GUE6	04-05-19	1,800,000.00	1,800,000.00	1,793,484.00	8,404.00	1,801,888.00
SUMITOMO MITSUI BANK NY CD	86563YVNO	05-03-19	1,500,000.00	1,500,000.00	1,498,974.00	4,954.17	1,503,928.17
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	11-16-20	1,800,000.00	1,800,000.00	1,790,276.40	5,107.50	1,795,383.90
<b><u>ASSET-BACKED SECURITY/COLLATERALIZED MORTGAGE OBLIGATION</u></b>							
CCCIT 2017-A2 A2	17305EGA7	01-17-21	1,550,000.00	1,549,703.18	1,546,542.11	12,286.33	1,558,828.44
TOYOTA ABS 2017-A A3	89238MAD0	02-15-21	450,000.00	449,947.04	447,772.28	346.00	448,118.28
ALLY ABS 2017-1 A3	0200PAC7	06-15-21	405,000.00	404,964.60	403,112.38	306.01	403,418.39
FORD ABS 2017-A A3	34531EAD8	06-25-21	1,200,000.00	1,199,995.56	1,192,491.84	890.67	1,193,382.51
TOYOTA ABS 2017-B A3	89190BAD0	07-15-21	1,800,000.00	1,799,861.94	1,788,135.30	1,408.00	1,789,543.30
ALLY ABS 2017-2 A3	02007HAC5	08-15-21	1,445,000.00	1,444,829.63	1,439,697.43	1,143.16	1,440,840.59
HAROT 2017-2 A3	43814PAC4	09-18-21	330,000.00	329,964.26	327,526.35	213.31	327,739.66
JOHN DEERE ABS 2017-B A3	47788BAD6	10-15-21	600,000.00	599,956.08	595,522.74	485.33	596,008.07
AMXCA 2017-4 A	02582JHG8	12-15-21	680,000.00	679,891.06	676,482.97	498.67	676,981.64
CCCIT 2017-A3 A3	17305EGB5	04-07-22	900,000.00	902,403.00	894,385.71	4,032.00	898,417.71
<b><u>CASH AND CASH EQUIVALENTS</u></b>							
US TREASURY MM FUND	31846V534		826,694.19	826,694.19	826,694.19	321.77	827,015.96
<b>TOTAL RESERVE PORTFOLIO MANAGED BY PFM</b>			<b>90,233,178.09</b>	<b>90,476,039.51</b>	<b>89,685,532.14</b>	<b>406,827.80</b>	<b>90,092,359.94</b>
<b><u>PARATRANSIT FUNDS PORTFOLIO:</u></b>							
<b><u>U.S. TREASURY NOTES AND BONDS</u></b>							
US TREASURY NOTE	912828VF4	05-31-20	650,000.00	641,595.70	641,672.20	785.71	642,457.91
US TREASURY NOTE	912828VP2	07-31-20	790,000.00	816,631.64	791,296.39	6,611.96	797,908.35
US TREASURY NOTE	912828L32	08-31-20	80,000.00	81,462.50	78,831.28	374.69	79,205.97
US TREASURY NOTE	912828B90	02-28-21	175,000.00	181,323.24	174,897.45	1,189.23	176,086.68
US TREASURY NOTE	912828Q78	04-30-21	585,000.00	573,391.41	572,340.02	1,377.66	573,717.68
US TREASURY NOTE	912828D72	08-31-21	250,000.00	251,933.59	249,179.75	1,711.96	250,891.71
US TREASURY NOTE	912828D72	08-31-21	450,000.00	454,904.30	448,523.55	3,081.52	451,605.07
US TREASURY NOTE	912828D72	08-31-21	525,000.00	528,178.71	523,277.48	3,595.11	526,872.59
US TREASURY NOTE	912828T67	10-31-21	500,000.00	488,417.97	484,375.00	1,081.73	485,456.73
US TREASURY NOTE	912828T67	10-31-21	525,000.00	514,930.66	508,593.75	1,135.82	509,729.57
US TREASURY NOTE	912828T67	10-31-21	700,000.00	688,953.13	678,125.00	1,514.42	679,639.42
US TREASURY NOTE	912828X47	04-30-22	300,000.00	296,882.81	296,414.10	963.40	297,377.50
<b><u>FEDERAL AGENCY COLLATERALIZED MORTGAGE OBLIGATION</u></b>							
FNMA	3136ANJY4	04-01-18	62,107.81	62,728.66	62,027.08	79.56	62,106.64
FANIE MAE	3136AQDQ0	09-01-19	114,520.35	115,667.15	114,138.93	25.96	114,164.89
FNA 2014-M6 A2	3136AJ7G5	05-25-21	545,956.07	557,003.15	550,662.48	1,218.62	551,881.10

**SAN MATEO COUNTY TRANSIT DISTRICT  
REPORT OF INVESTMENTS (continued)  
FOR QUARTER ENDED DECEMBER 31, 2017**

TYPE OF SECURITY	CUSIP #	MATURITY/CALL DATE	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<b><u>FEDERAL AGENCY BOND/NOTE</u></b>							
FEDERAL HOME LOAN BANK AGENCY	3130AAXX1	03-18-19	500,000.00	498,840.00	497,108.00	1,967.01	499,075.01
FHLMC	3137EAE1	07-19-19	750,000.00	748,185.00	738,273.00	2,953.13	741,226.13
FNMA	3135G0N33	08-02-19	480,000.00	479,193.60	472,307.04	1,738.33	474,045.37
FHBLB GLOBAL NOTES	3130A8Y72	08-05-19	175,000.00	174,664.00	172,154.33	621.01	172,775.34
FNMA NOTES	3135G0P49	08-28-19	800,000.00	798,752.00	788,199.20	2,733.36	790,932.56
FNMA NOTES	3130A9EP2	09-26-19	800,000.00	799,304.00	787,744.00	2,111.11	789,855.11
FNMA NOTES	3135G0T29	02-28-20	340,000.00	339,782.40	336,471.82	1,742.50	338,214.32
FHLMC AGENCY	3137EAEF2	04-20-20	350,000.00	348,803.00	345,052.75	949.13	346,001.88
FNMA NOTES	3135G0T60	04-20-20	400,000.00	398,788.00	395,052.00	2,500.00	397,552.00
FHBLB NOTES	3130ACE26	09-28-20	85,000.00	84,727.15	83,518.79	301.93	83,820.72
FHLMC NOTES	3137EAEJ4	09-29-20	165,000.00	164,701.35	163,115.04	685.21	163,800.25
FHBLB GLOBAL NOTE	3130A8QS5	07-14-21	520,000.00	516,837.88	502,724.04	2,713.75	505,437.79
FNMA NOTES	3135G0N82	08-17-21	600,000.00	597,658.06	581,415.60	2,791.67	584,207.27
<b><u>CORPORATE NOTE</u></b>							
JOHN DEERE CAPITALCORP	24422ETM1	10-15-18	200,000.00	199,870.00	199,555.40	696.67	200,252.07
TOYOTA MOTOR CREDIT CORP	89236TDM4	01-09-19	300,000.00	299,895.00	299,379.30	2,436.67	301,815.97
BERKSHIRE HATHAWAY INC.	084670BL1	08-14-19	500,000.00	502,830.00	500,238.00	3,995.83	504,233.83
AMERICAN HONDA FINANCE GLOBAL NOTES	02665WAH4	08-15-19	500,000.00	502,485.00	500,747.50	4,250.00	504,997.50
TOYOTA MOTOR CORP NOTES	89236TDH5	10-18-19	200,000.00	199,900.00	198,224.20	628.61	198,852.81
AMERICAN EXP CREDIT CORP	0258MOEC9	10-30-19	150,000.00	149,821.50	148,451.70	432.09	148,883.79
AMERICAN EXP CREDIT CORP	0258MOEC9	10-30-19	350,000.00	350,066.50	346,387.30	1,008.19	347,395.49
PEIZER INC CORP NOTE	717081EB5	12-15-19	330,000.00	329,762.40	327,924.63	249.33	328,173.96
CITIGROUP INC	172967LF6	01-10-20	250,000.00	249,900.00	250,115.25	2,909.38	253,024.63
MICROSOFT CORP	594918BV5	02-06-20	250,000.00	249,832.50	249,260.75	1,862.85	251,123.60
WALT DISNEY CO CORP NOTES	25468DP8	03-04-20	100,000.00	99,974.00	99,675.00	633.75	100,308.75
APPLE INC BONDS	037833CS7	05-11-20	225,000.00	224,770.50	223,094.48	562.50	223,656.98
HOME DEPOT INC CORP NOTES	43707BQ4	06-05-20	125,000.00	124,927.50	124,006.00	162.50	124,168.50
MORGAN STANLEY CORP NOTE	6174467P8	07-24-20	500,000.00	558,125.00	536,090.50	11,993.06	548,083.56
CATERPILLAR FINL SERIVE NOTE	1491302A6	09-04-20	185,000.00	184,844.60	182,840.31	1,083.79	183,924.10
WAL-MART STORES INC CORP NOTE	931142EA7	12-15-20	250,000.00	249,637.50	248,389.75	936.81	249,326.56
BRANCH MANKING & TRUST CORP NOTES	05531FAZ6	02-01-21	125,000.00	124,942.50	123,817.50	485.24	124,302.74
PEPSICO INC CORP NOTE	71344DX3	04-15-21	165,000.00	164,967.00	163,123.13	742.50	163,865.63
BANK OF AMERICA CORP	06051GFW4	04-19-21	100,000.00	100,776.00	100,510.20	525.00	101,035.20
GOLDMAN SACHS GROUP CORP	3814GGQ1	07-27-21	450,000.00	496,651.50	487,705.95	10,106.25	497,812.20
BANK OF AMERICA CORP	06051GG52	10-01-21	160,000.00	160,000.00	159,548.96	1,065.71	160,614.67
JOHN DEERE CAPITALCORP	24422ETL3	01-06-22	115,000.00	114,492.85	115,669.65	1,481.42	117,151.07
JPMORGAN CHASE & CO CORP NOTES	46625HJD3	01-24-22	250,000.00	270,455.00	267,513.00	4,906.25	272,419.25
<b><u>COMMERCIAL PAPER</u></b>							
BANK OF TOKYO MITSUBISHI UFJ LTD	06538CBG5	02-16-18	250,000.00	247,253.96	249,449.00	0.00	249,449.00
CREDIT AGRICOLE CIB NY COMM PAPER	22533UEV1	05-29-18	500,000.00	495,925.00	496,286.00	0.00	496,286.00
BANK OF MONTREAL CHICAGO	06366HF44	06-04-18	550,000.00	543,943.94	545,766.65	0.00	545,766.65
ING (US) FUNDING LLC COMM PAPER	4497W1G2E	07-02-18	500,000.00	494,177.78	495,454.50	0.00	495,454.50
BNP PARIBAS NY BRANCH COMM PAPER	09659CHU5	08-28-18	500,000.00	493,475.00	493,651.00	0.00	493,651.00
<b><u>CERTIFICATE OF DEPOSIT</u></b>							
CANADIAN IMPERIAL BANK NY CD	13606A5Z7	11-30-18	500,000.00	499,610.00	498,944.50	782.22	499,726.72
SVENSKA HANDELSBANKEN NY LT CD	86958JHB8	01-10-19	500,000.00	500,000.00	497,789.50	4,593.75	502,383.25
BANK OF NOVA SCOTIA HOUSTON	06417GUE6	04-05-19	500,000.00	500,000.00	498,190.00	2,334.44	500,524.44
SUMITOMO MITSUI BANK NY CD	86563YVNO	05-03-19	500,000.00	500,000.00	499,658.00	1,651.39	501,309.39
SWEDBANK (NEW YORK) CERT DEPOS	87019U6D6	11-16-20	500,000.00	500,000.00	497,299.00	1,418.75	498,717.75
<b><u>ASSET BACKED SECURITY/COLLATERALIZED MORTGAGE OBLIGATION</u></b>							
CCCIT 2017-A2 A2	17305EGA7	01-17-21	450,000.00	449,913.83	448,996.10	3,567.00	452,563.10
TOYOTA ABS 2017-A A3	89238MADO	02-15-21	125,000.00	124,985.29	124,381.19	96.11	124,477.30
ALLY ABS 2017-1 A3	02007PAC7	06-15-21	115,000.00	114,989.95	114,464.01	86.89	114,550.90
FORD ABS 2017-A A3	34531EAD8	06-25-21	350,000.00	349,998.71	347,810.12	259.78	348,069.90
TOYOTA ABS 2017-B A3	89190BADO	07-15-21	500,000.00	499,961.65	496,704.25	391.11	497,095.36
ALLY ABS 2017-2 A3	02007HAC5	08-15-21	400,000.00	399,952.84	398,532.16	316.44	398,848.60
HAROT 2017-3 A3	43814PAC4	09-18-21	100,000.00	99,989.17	99,250.41	64.64	99,315.05
JOHN DEERE ABS 2017-B A3	47788BAD6	10-15-21	170,000.00	169,987.56	168,731.44	137.51	168,868.95
AMXCA 2017-4 A	02582JHG8	12-15-21	200,000.00	199,967.96	198,965.58	145.84	199,111.42
CCCIT 2017-A3 A3	170305EGB5	04-07-22	250,000.00	250,667.50	248,440.48	1,120.00	249,560.48

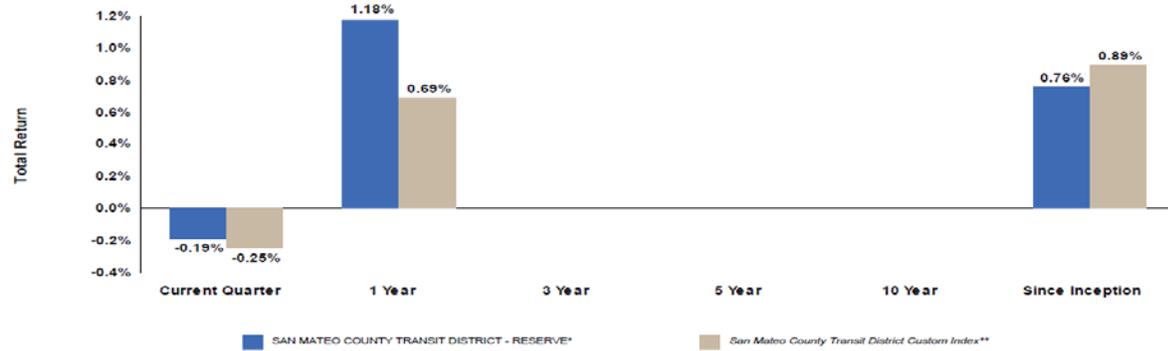
SAN MATEO COUNTY TRANSIT DISTRICT  
 REPORT OF INVESTMENTS (continued)  
 FOR QUARTER ENDED DECEMBER 31, 2017

TYPE OF SECURITY	CUSIP #	MATURITY/CALL DATE	PAR VALUE	CARRYING AMOUNT	MARKET VALUE	ACCRUED INTEREST	MARKET VALUE + ACCR. INT.
<b><u>CASH AND CASH EQUIVALENTS</u></b>							
US TREASURY MM FUND	31846V534		56,112.56	56,112.56	56,112.56	31.07	56,143.63
<b>TOTAL PARATRANSIT PORTFOLIO MANAGED BY PFM</b>			<b>25,513,696.79</b>	<b>25,604,080.61</b>	<b>25,364,634.98</b>	<b>118,706.83</b>	<b>25,483,341.81</b>
<b>TOTAL DISTRICT PORTFOLIO MANAGED BY PFM</b>			<b>115,746,874.88</b>	<b>116,080,120.12</b>	<b>115,050,167.12</b>	<b>525,534.63</b>	<b>115,575,701.75</b>
<b><u>FUNDS NON MANAGED BY PFM</u></b>							
<b>CASH AND CASH EQUIVALENTS</b>							
US TREASURY MM	31846V534		8,155,458.50	8,155,458.50	8,155,458.50	5,144.31	8,160,602.81
<b>TOTAL INVESTMENT FUNDS PORTFOLIO NON MANAGED BY PFM</b>			<b>8,155,458.50</b>	<b>8,155,458.50</b>	<b>8,155,458.50</b>	<b>5,144.31</b>	<b>8,160,602.81</b>
<b><u>LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF:</u></b>							
BANK OF AMERICA CHECKING			45,326,424.96	45,326,424.96	45,326,424.96		45,326,424.96
LAIF			4,138,888.83	4,138,888.83	4,138,888.83		4,138,888.83
WELLS FARGO			7,702.00	7,702.00	7,702.00		7,702.00
<b>TOTAL FUNDS MANAGED BY DISTRICT STAFF</b>			<b>49,473,015.79</b>	<b>49,473,015.79</b>	<b>49,473,015.79</b>		<b>49,473,015.79</b>
<b><u>TRUST FUNDS MANAGED BY THIRD PARTY TRUSTEE:</u></b>							
First American Govt Obligation C/D Chesham Finance Ltd.			7,693,130.10	7,693,130.10	7,693,130.10		7,693,130.10
<b>TOTAL AS OF DECEMBER 31, 2017</b>			<b>181,068,479.27</b>	<b>181,401,724.51</b>	<b>180,371,771.51</b>		<b>180,902,450.45</b>

EXHIBIT 2

Portfolio Performance (Total Return)

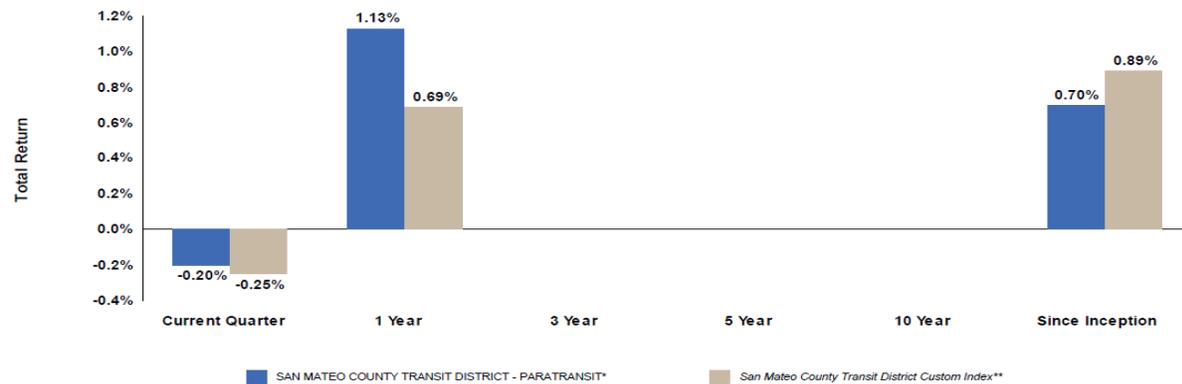
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			Since Inception (03/31/15)
				3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE*	2.13	-0.19%	1.18%	-	-	-	0.76%
San Mateo County Transit District Custom Index**	2.12	-0.25%	0.69%	-	-	-	0.89%
Difference		0.06%	0.49%	-	-	-	-0.13%



\* Portfolio performance is gross of fees unless otherwise indicated.  
 \*\* Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 40% 1-3 Year U.S. Treasury Index, 10% 1-3 Year High Grade Corporate Index, 40% 3-5 Year U.S. Treasury Index, and 10% 3-5 Year High Grade Corporate Index.

Portfolio Performance (Total Return)

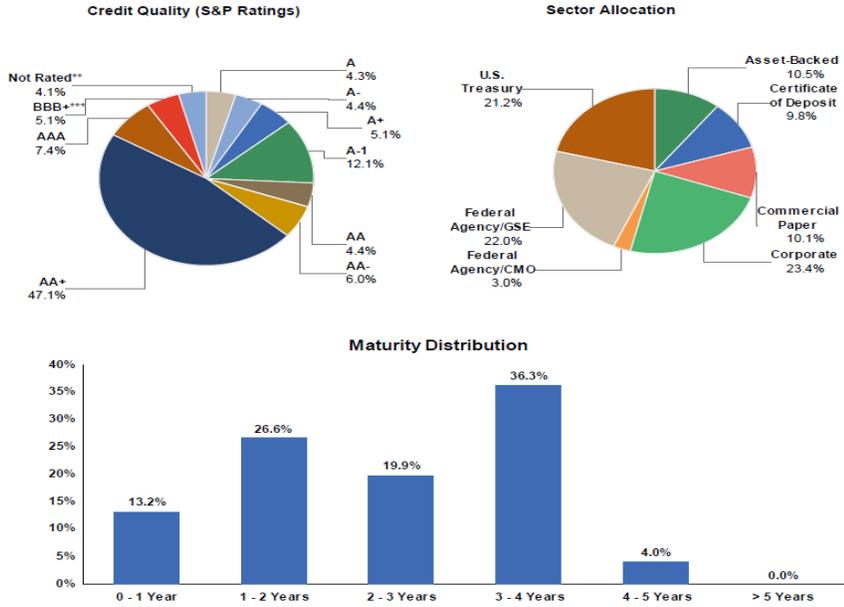
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			Since Inception (03/31/15)
				3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT*	2.11	-0.20%	1.13%	-	-	-	0.70%
San Mateo County Transit District Custom Index**	2.12	-0.25%	0.69%	-	-	-	0.89%
Difference		0.05%	0.44%	-	-	-	-0.19%



\* Portfolio performance is gross of fees unless otherwise indicated.  
 \*\* Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 40% 1-3 Year U.S. Treasury Index, 10% 1-3 Year High Grade Corporate Index, 40% 3-5 Year U.S. Treasury Index, and 10% 3-5 Year High Grade Corporate Index.

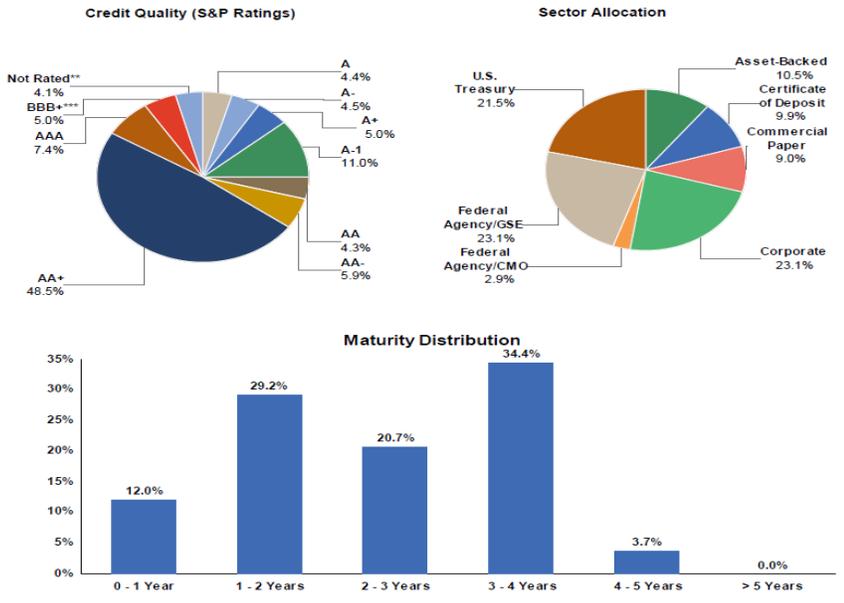
EXHIBIT 3

Portfolio Statistics	
As of December 31, 2017	
Par Value:	\$89,406,484
Total Market Value:	\$90,095,314
Security Market Value:	\$88,858,838
Accrued Interest:	\$409,782
Cash:	\$826,694
Amortized Cost:	\$89,584,348
Yield at Market:	2.02%
Yield at Cost:	1.70%
Effective Duration:	2.13 Years
Duration to Worst:	2.18 Years
Average Maturity:	2.43 Years
Average Credit: *	AA



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.  
 \*\* The "Not Rated" category comprises asset-backed securities rated Aaa by Moody's.  
 \*\*\* The "BBB+" category comprises securities rated A- or better by Moody's and/or Fitch.

Portfolio Statistics	
As of December 31, 2017	
Par Value:	\$25,457,584
Total Market Value:	\$25,483,343
Security Market Value:	\$25,308,522
Accrued Interest:	\$118,708
Cash:	\$56,113
Amortized Cost:	\$25,520,168
Yield at Market:	2.02%
Yield at Cost:	1.69%
Effective Duration:	2.11 Years
Duration to Worst:	2.16 Years
Average Maturity:	2.41 Years
Average Credit: *	AA



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.  
 \*\* The "Not Rated" category comprises asset-backed securities rated Aaa by Moody's.  
 \*\*\* The "BBB+" category comprises securities rated A- or better by Moody's and/or Fitch.

Exhibit 4

## Sector Allocation and Compliance

- The Reserve portfolio is in compliance with the District's Investment Policy and the California Government Code.

Security Type	Market Value as of December 31, 2017	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$18,802,174	21.0%	100%	✓
Federal Agency/GSE	\$19,597,266	21.9%	100%	✓
Federal Agency/CMO	\$2,621,982	2.9%	20%	✓
Corporate Notes	\$20,915,999	23.3%	30%	✓
Negotiable CDs	\$8,670,977	9.7%	10%	✓
Asset-Backed Securities	\$9,311,669	10.4%	30%	✓
Commercial Paper	\$8,938,771	10.0%	15%	✓
<b>Securities Sub-Total</b>	<b>\$88,858,838</b>	<b>99.1%</b>		
Accrued Interest	\$409,782			
<b>Securities Total</b>	<b>\$89,268,620</b>			
Money Market Fund	\$826,694	0.9%	10%	✓
<b>Total Investments</b>	<b>\$90,095,314</b>	<b>100.0%</b>		

As of 12/31/17. Detail may not add to total due to rounding.

## Sector Allocation and Compliance

- The Paratransit portfolio is in compliance with the District's Investment Policy and the California Government Code.

Security Type	Market Value as of December 31, 2017	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$5,447,526	21.5%	100%	✓
Federal Agency/GSE	\$5,863,136	23.1%	100%	✓
Federal Agency/CMO	\$726,828	2.9%	20%	✓
Corporate Notes	\$5,852,268	23.1%	30%	✓
Negotiable CDs	\$2,491,881	9.8%	10%	✓
Asset-Backed Securities	\$2,646,276	10.4%	30%	✓
Commercial Paper	\$2,280,607	9.0%	15%	✓
<b>Securities Sub-Total</b>	<b>\$25,308,522</b>	<b>99.8%</b>		
Accrued Interest	\$118,708			
<b>Securities Total</b>	<b>\$25,427,230</b>			
Money Market Fund	\$56,113	0.2%	10%	✓
<b>Total Investments</b>	<b>\$25,483,343</b>	<b>100.0%</b>		

As of 12/31/17. Detail may not add to total due to rounding.



# SAN MATEO COUNTY TRANSIT DISTRICT

## **Investment Performance Review For the Quarter Ended December 31, 2017**

Client Management Team

Monique Spyke, Managing Director

Izac Chyou, Senior Managing Consultant

50 California Street, Suite 2300

San Francisco, CA 94111

415-982-5544

PFM Asset Management LLC

One Keystone Plaza, Suite 300

Harrisburg, PA 17101-2044

717-232-2723

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## *Market Update*

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## QUARTERLY MARKET SUMMARY

### SUMMARY

- The fourth quarter came to a close with an exclamation point from Washington as lawmakers agreed on an historic tax cut bill. The tax overhaul is projected to provide an economic boost, for at least the near term, as the top corporate tax rate was slashed from 35% to 21% and personal tax levels were reduced across the board. While the long-term impact is yet to be determined, immediate market reaction has been positive.
- True to their “dot plot” forecasts, the Federal Open Market Committee (FOMC or Fed) raised the federal funds target rate by a quarter of a percent to a range of 1.25% to 1.50% at its December meeting. This marked the third time in calendar year 2017 that the Fed raised rates. The FOMC also provided projections that include three more expected hikes in 2018. Across the pond, the United Kingdom bumped its overnight rate back up to 0.50%, following a temporary cut to 0.25% following the 2016 Brexit vote.
- Early 2018 will see a changeover at the Fed as Chair Janet Yellen will be replaced by Jerome Powell. As an existing Federal Reserve board member, Mr. Powell is viewed as a “Republican version of Yellen” and someone who is likely to follow a similar path for modest tightening of monetary policy amid stubbornly low inflation. Perhaps in contrast, he has voiced a preference for tailoring regulations to relieve the burden on smaller community banks.
- While bond yields generally increased over the quarter, so did equity prices. The S&P 500 Index returned 6.6% for the quarter, setting multiple new record highs. The Dow Jones Industrial Average crossed both 23,000 and 24,000, levels never before breached, while the NASDAQ finished the year up over 30%.

### ECONOMIC SNAPSHOT

- The U.S. economy notched back-to-back quarters of solid growth with GDP increasing at a 3.2% real rate for the third quarter, following a second quarter tally of 3.1%. 2017 capped the 8th straight year of recovery from the 2008–09 Great Recession—the third longest expansion of the past century. Initial fourth quarter estimates are for growth in the 2.5% to 3% range, with consumer spending and business investment fueling the growth.
- The U.S. labor market remained strong, with the unemployment rate holding at a 15-year low of 4.1% during the quarter. Although job gains in December were disappointing, the economy added over 2 million net new jobs in 2017. At the same time, the labor force participation rate improved modestly, while wage growth over the past year was modest.
- Prices remained well contained, running below the Fed’s desired 2% target for core inflation. But, oil and other commodities like copper rebounded in the second half of the year.
- Outside of inflation, economic indicators have been strong: manufacturing,

services and consumer confidence indexes reached multi-year highs, housing markets strengthened further, and positive real GDP growth across the globe serve as positive backdrop for the new year.

### INTEREST RATES

- Shorter-term Treasury yields (5 years and under) increased in the fourth quarter, largely on the run-up to the December FOMC rate hike. Long-term Treasury yields (10 years and longer) moved in the opposite direction, with the yield on a 30-year Treasury actually declining 12 basis points. This resulted in a much flatter yield curve.
- In the cash and money market segment, yields on Treasury maturities less than one year increased 30 to 45 basis points in lockstep with the Fed’s expected rate hike trajectory. The increase of shorter Treasury yields led the market; yield increases on short credit (commercial paper and certificates of deposit) did not initially keep up. The result was tighter short-term credit spreads that persisted through quarter-end.

### SECTOR PERFORMANCE

- U.S. Treasury benchmark returns, with the exception of the longest maturity benchmarks, were negative for the fourth quarter as investment income was not able to fully offset the adverse impact of increasing interest rates on fixed income prices.
- Federal agency securities performed in line with similar maturity Treasuries, as the sector’s narrow yield spreads provided little to no incremental income benefit, and relatively unchanged spreads over the quarter muted any additional excess return.
- Corporate yield spreads tightened further, as spreads in the sector reached new post-recession tightness. As a result, the corporate sector performed well in the quarter. Despite narrow spreads, corporate securities still offer risk-adjusted income pick-up. The sector is supported with a positive economic landscape and corporate fundamentals and is poised for additional excess return potential over the near term.
- The mortgage backed securities (MBS) sector performed well in the fourth quarter, generally outperforming Treasury and federal agency benchmarks; but, excess returns varied based on specific security structure.
- High-quality asset-backed securities (ABS) also performed positively relative to Treasuries, as their yield spreads narrowed, and were near the top of the best performers for the quarter.
- Short-term commercial paper and bank CDs continued to offer incremental value relative to both short- and intermediate-term government securities. The incremental yield advantage offered in these sectors is a valuable return attribute in the face of rising rates.

QUARTERLY MARKET SUMMARY

Economic Snapshot

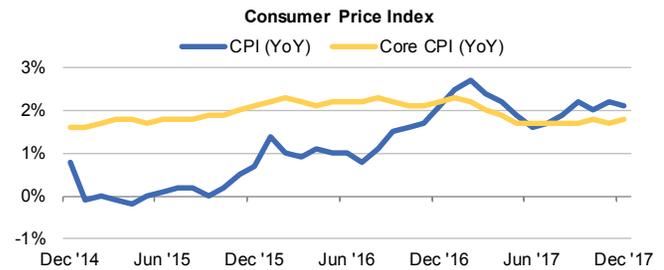
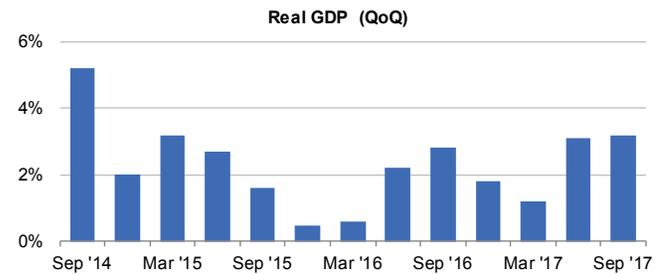
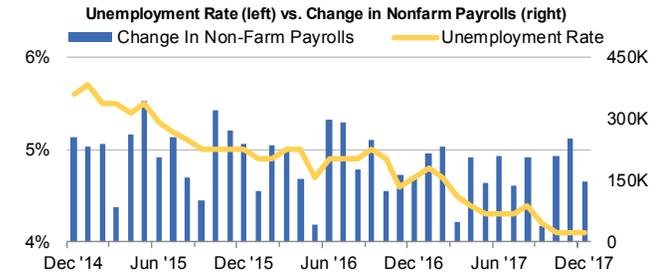
Labor Market		Latest	Sep '17	Dec '16
Unemployment Rate	Dec'17	4.1%	4.2%	4.7%
Change In Non-Farm Payrolls	Dec'17	148,000	38,000	155,000
Average Hourly Earnings (YoY)	Dec'17	2.5%	2.8%	2.9%
Personal Income (YoY)	Nov'17	3.8%	2.9%	1.6%
Initial Jobless Claims (week)	1/6/18	261,000	258,000	241,000

Growth		Latest	Sep '17	Dec '16
Real GDP (QoQ SAAR)	2017Q3	3.2%	3.1% <sup>1</sup>	2.8% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2017Q3	2.2%	3.3% <sup>1</sup>	2.8% <sup>2</sup>
Retail Sales (YoY)	Dec'17	5.4%	5.0%	3.8%
ISM Manufacturing Survey (month)	Dec'17	59.7	60.8	54.5
Existing Home Sales SAAR (month)	Nov'17	5.81 mil.	5.37 mil.	5.51 mil.

Inflation / Prices		Latest	Sep '17	Dec '16
Personal Consumption Expenditures (YoY)	Nov'17	1.8%	1.7%	1.8%
Consumer Price Index (YoY)	Dec'17	2.1%	2.2%	2.1%
Consumer Price Index Core (YoY)	Dec'17	1.8%	1.7%	2.2%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$60.42	\$51.67	\$53.72
Gold Futures (oz.)	Dec 31	\$1,309	\$1,282	\$1,152



1. Data as of Second Quarter 2017.

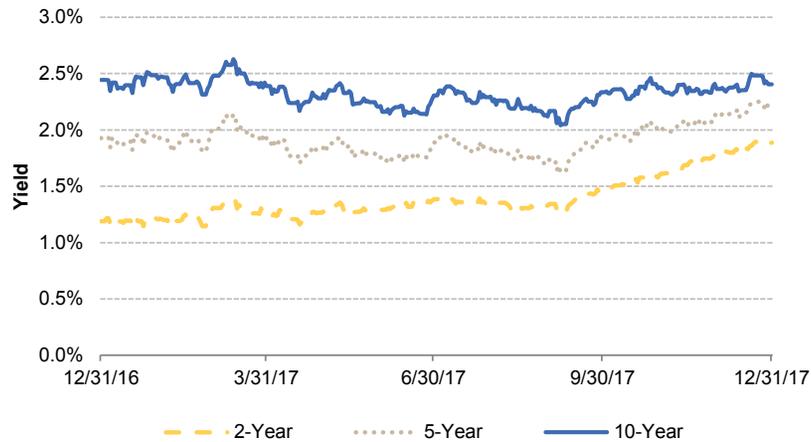
2. Data as of Third Quarter 2016.

Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

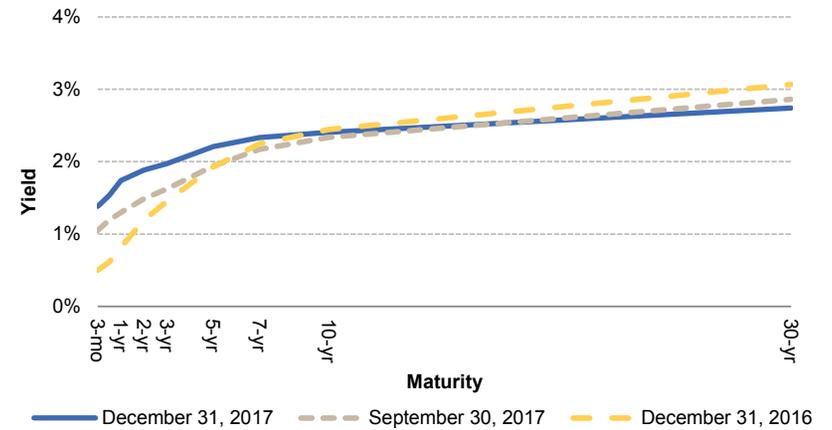
Source: Bloomberg.

### Interest Rate Overview

U.S. Treasury Note Yields



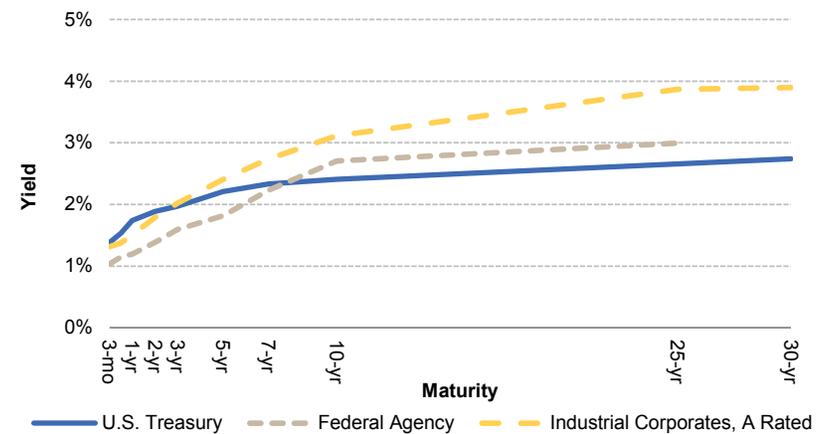
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Dec '17	Sep '17	Change over Quarter	Dec '16	Change over Year
3-month	1.38%	1.05%	0.33%	0.50%	0.88%
1-year	1.74%	1.29%	0.45%	0.81%	0.93%
2-year	1.89%	1.49%	0.40%	1.19%	0.70%
5-year	2.21%	1.94%	0.27%	1.93%	0.28%
10-year	2.41%	2.33%	0.08%	2.45%	(0.04%)
30-year	2.74%	2.86%	(0.12%)	3.07%	(0.33%)

Yield Curves as of 9/30/17



Source: Bloomberg.

## QUARTERLY MARKET SUMMARY

## BofA Merrill Lynch Index Returns

December 31, 2017	As of 12/31/17		Returns for Periods ended 12/31/17		
	Duration	Yield	3 Month	1 Year	3 Years
<b>1–3 Year Indices</b>					
U.S. Treasury	1.80	1.88%	(0.25%)	0.42%	0.62%
Federal Agency	1.73	1.96%	(0.19%)	0.65%	0.77%
U.S. Corporates, A-AAA rated	1.84	2.29%	(0.05%)	1.67%	1.54%
Agency MBS (0 to 3 years)	2.27	2.21%	0.03%	1.37%	1.19%
Taxable Municipals	1.55	2.45%	0.06%	2.15%	1.99%
<b>1–5 Year Indices</b>					
U.S. Treasury	2.60	1.97%	(0.38%)	0.65%	0.90%
Federal Agency	2.14	2.01%	(0.25%)	0.86%	0.98%
U.S. Corporates, A-AAA rated	2.64	2.44%	(0.10%)	2.24%	1.98%
Agency MBS (0 to 5 years)	3.22	2.51%	(0.11%)	1.74%	1.40%
Taxable Municipals	2.24	2.53%	0.05%	2.10%	2.40%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	6.34	2.20%	0.11%	2.43%	1.46%
Federal Agency	3.90	2.19%	0.00%	2.15%	1.54%
U.S. Corporates, A-AAA rated	7.19	2.98%	1.07%	5.68%	3.50%
Agency MBS (0 to 30 years)	4.41	2.83%	0.14%	2.45%	1.86%
Taxable Municipals	10.87	3.63%	2.34%	10.12%	5.17%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices.

## QUARTERLY MARKET SUMMARY

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*Investment Strategy & Portfolio Review*

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## Portfolio Recap

- ◆ Yields continued to climb during the fourth quarter, with some short- and intermediate-term yields reaching highs not seen since 2008. However, in this era of gradually increasing interest rates, new purchases were weighed against the probability for further rate increases and their potential to diminish the market value of portfolio investments. In this flat yield curve environment, we emphasized maturity selection.
- ◆ We continued to maintain the portfolio's duration in line with the benchmark's duration to minimize return volatility.
- ◆ Strong investor appetite for high-quality alternatives to U.S. Treasuries caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in positive relative performance for non-Treasury sectors.
  - The yield spreads on federal agency securities vs. comparable-maturity Treasuries remained near historic lows, in some cases near zero, leading to diminished value of the agency sector.
  - Corporate yield spreads also remained near multi-year lows, as investors reaching for yield piled into a limited market supply of investment-grade securities, leading the corporate sector to deliver its ninth straight quarter of outperformance relative to U.S. Treasuries.
  - Short-term commercial paper (CP) and negotiable bank certificates of deposit (CDs) continued to offer value during the quarter. Although the Fed's December meeting caused CP/CD spreads to narrow, issuance has picked up and CP/CD yields have risen, widening the spread over similar-dated Treasuries.
  - Asset-backed securities (ABS) performed positively relative to Treasuries. Further spread compression in the ABS sector is likely to be limited given that current level spreads sit at historically tight levels.

## 2018 Investment Outlook and Strategy

- The U.S. economy is generally on strong footing heading into the new year, bolstered by expanding economic activity, a strong jobs market, and gains in housing. However, the continued rise of the domestic stock market, coupled with low volatility, may point to investor complacency.
- The Federal Reserve recently reiterated its intentions to continue to gradually increase rates into 2018. However, persistently low inflation readings may derail these plans. In this uncertain environment, we plan to adopt a duration-neutral stance but will continue to carefully monitor the portfolio's duration relative to the benchmark's duration, making adjustments as appropriate.
- Federal Agency issuance is expected to resume in the new year, but the overall level is expected to be slower than 2017. Given the flatness of the yield curve and narrow bullet agency spreads, we may seek value in callable agency securities where we find them advantageous.
- We will continue to focus on exposure to the corporate sector as well as other spread products to add value to the portfolio.
- The mortgage-backed securities (MBS) sector may experience some turbulence once the pace of tapering increases in future months. For that reason, we are generally avoiding additional MBS allocations at this time.
- Broad diversification across all investment-grade sectors remains a key component of our portfolio strategy. We will continue to monitor the markets and will make relative-value trades as appropriate in order to safely enhance portfolio earnings. However, as always, while we continue to seek opportunities to enhance the earnings, our priority will always be to maintain the safety and liquidity of portfolio investments.

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## *Reserve Portfolio*

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## Sector Allocation and Compliance

- The Reserve portfolio is in compliance with the District's Investment Policy and the California Government Code.

<b>Security Type</b>	<b>Market Value as of December 31, 2017</b>	<b>% of Portfolio</b>	<b>Permitted by Policy</b>	<b>In Compliance</b>
U.S. Treasury	\$18,802,174	21.0%	100%	✓
Federal Agency/GSE	\$19,597,266	21.9%	100%	✓
Federal Agency/CMO	\$2,621,982	2.9%	20%	✓
Corporate Notes	\$20,915,999	23.3%	30%	✓
Negotiable CDs	\$8,670,977	9.7%	10%	✓
Asset-Backed Securities	\$9,311,669	10.4%	30%	✓
Commercial Paper	\$8,938,771	10.0%	15%	✓
<b>Securities Sub-Total</b>	<b>\$88,858,838</b>	<b>99.1%</b>		
Accrued Interest	\$409,782			
<b>Securities Total</b>	<b>\$89,268,620</b>			
Money Market Fund	\$826,694	0.9%	10%	✓
<b>Total Investments</b>	<b>\$90,095,314</b>	<b>100.0%</b>		

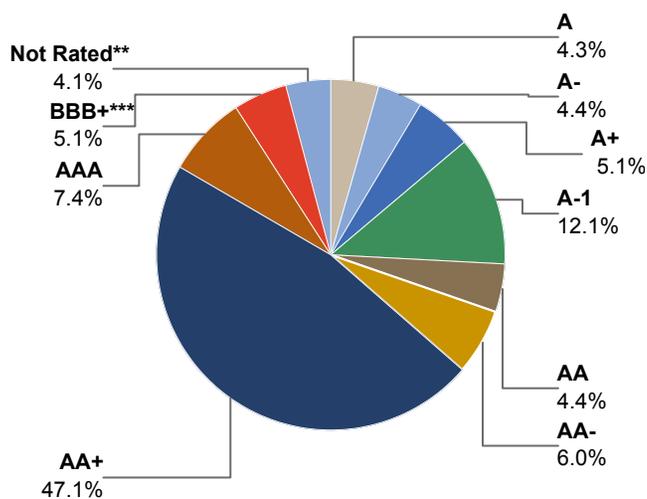
As of 12/31/17. Detail may not add to total due to rounding.

**Portfolio Statistics**

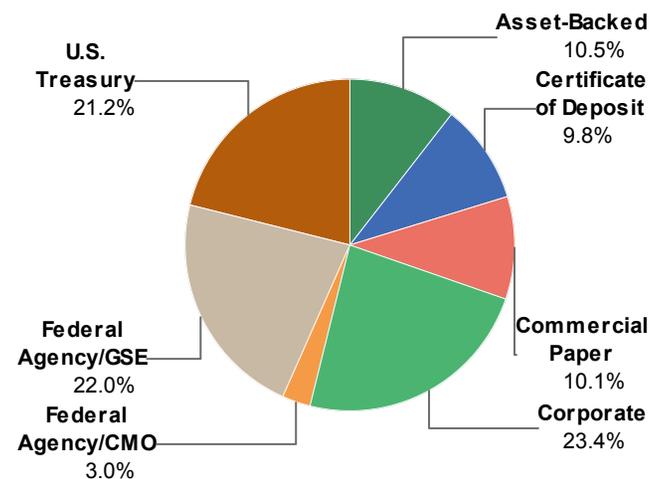
As of December 31, 2017

<b>Par Value:</b>	\$89,406,484
<b>Total Market Value:</b>	\$90,095,314
<b>Security Market Value:</b>	\$88,858,838
<b>Accrued Interest:</b>	\$409,782
<b>Cash:</b>	\$826,694
<b>Amortized Cost:</b>	\$89,584,348
<b>Yield at Market:</b>	2.02%
<b>Yield at Cost:</b>	1.70%
<b>Effective Duration:</b>	2.13 Years
<b>Duration to Worst:</b>	2.18 Years
<b>Average Maturity:</b>	2.43 Years
<b>Average Credit: *</b>	AA

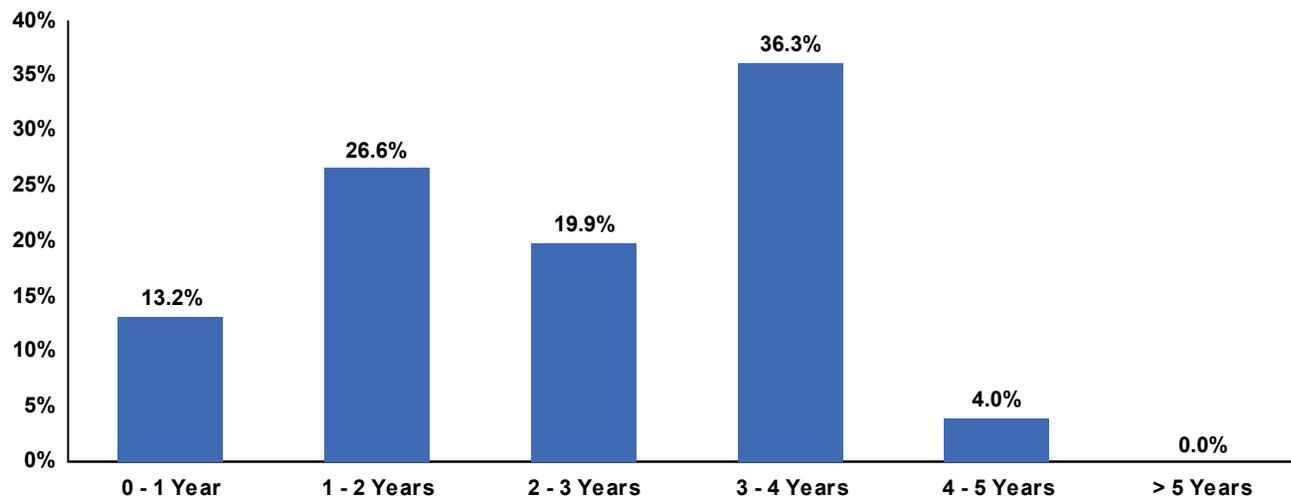
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



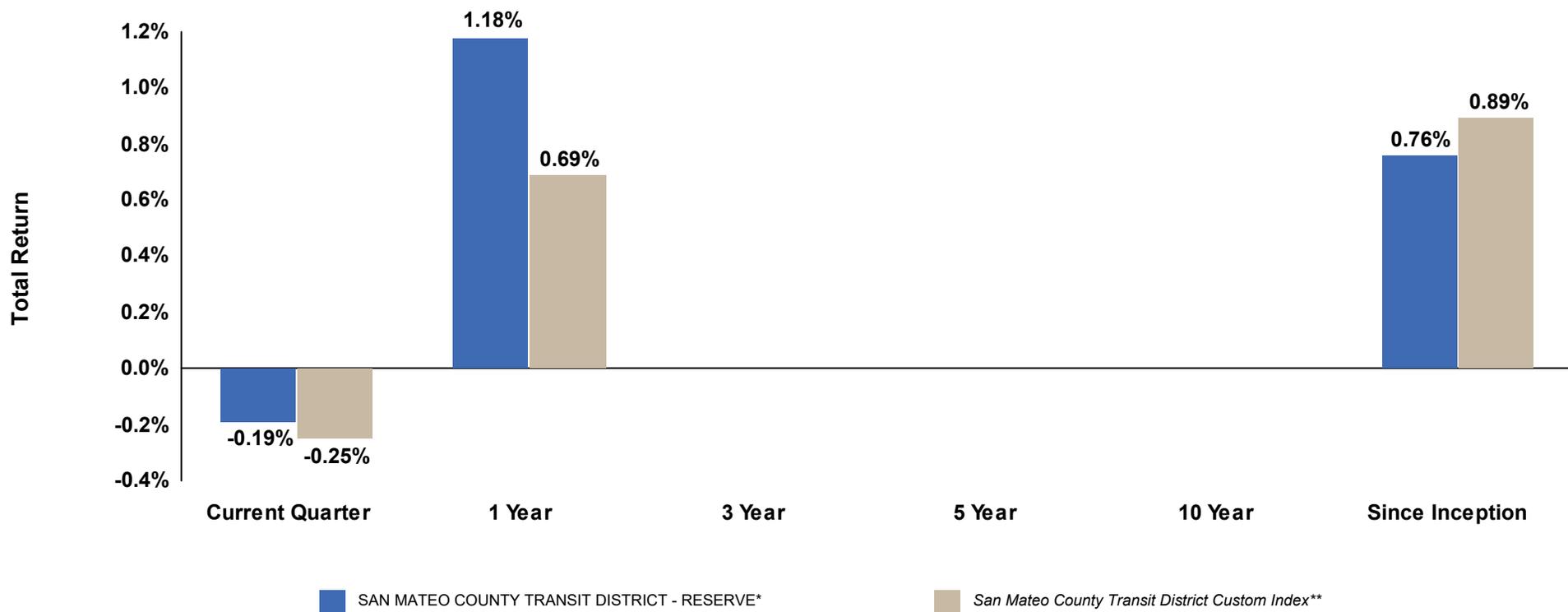
\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\* The "Not Rated" category comprises asset-backed securities rated Aaa by Moody's.

\*\*\* The "BBB+" category comprises securities rated A- or better by Moody's and/or Fitch.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15)
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE*	2.13	-0.19%	1.18%	-	-	-	0.76%
San Mateo County Transit District Custom Index**	2.12	-0.25%	0.69%	-	-	-	0.89%
Difference		0.06%	0.49%	-	-	-	-0.13%



\* Portfolio performance is gross of fees unless otherwise indicated.

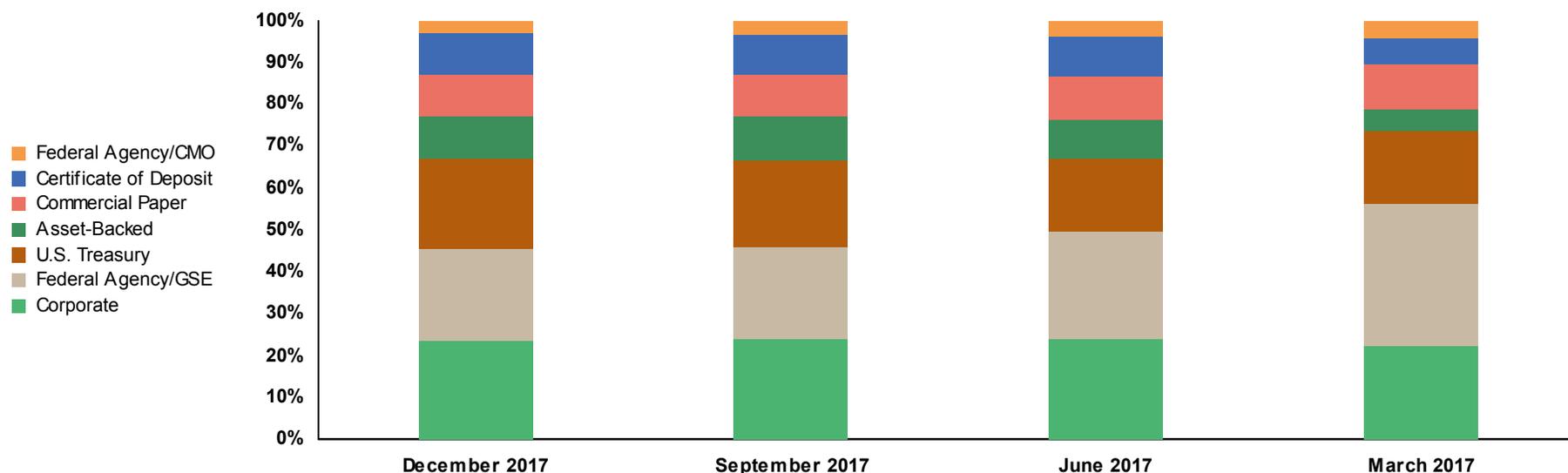
\*\* Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 40% 1-3 Year U.S. Treasury Index, 10% 1-3 Year High Grade Corporate Index, 40% 3-5 Year U.S. Treasury Index, and 10% 3-5 Year High Grade Corporate Index.

**Portfolio Earnings***Quarter-Ended December 31, 2017*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (09/30/2017)</b>	\$89,665,181.98	\$89,834,724.37
<b>Net Purchases/Sales</b>	(\$263,176.98)	(\$263,176.98)
<b>Change in Value</b>	(\$543,167.05)	\$12,800.42
<b>Ending Value (12/31/2017)</b>	\$88,858,837.95	\$89,584,347.81
<b>Interest Earned</b>	\$369,703.77	\$369,703.77
<b>Portfolio Earnings</b>	(\$173,463.28)	\$382,504.19

Sector Allocation

Sector	December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Corporate	20.9	23.4%	21.4	24.0%	21.3	23.8%	20.0	22.4%
Federal Agency/GSE	19.6	22.0%	19.7	22.0%	23.0	25.9%	30.0	33.7%
U.S. Treasury	18.8	21.2%	18.6	20.7%	15.6	17.4%	15.3	17.2%
Asset-Backed	9.3	10.5%	9.4	10.4%	8.4	9.4%	5.1	5.7%
Commercial Paper	8.9	10.1%	9.0	10.0%	9.1	10.1%	9.5	10.6%
Certificate of Deposit	8.7	9.8%	8.7	9.7%	8.7	9.7%	5.4	6.1%
Federal Agency/CMO	2.6	3.0%	2.9	3.2%	3.3	3.7%	3.8	4.3%
<b>Total</b>	<b>\$88.9</b>	<b>100.0%</b>	<b>\$89.7</b>	<b>100.0%</b>	<b>\$89.4</b>	<b>100.0%</b>	<b>\$89.0</b>	<b>100.0%</b>

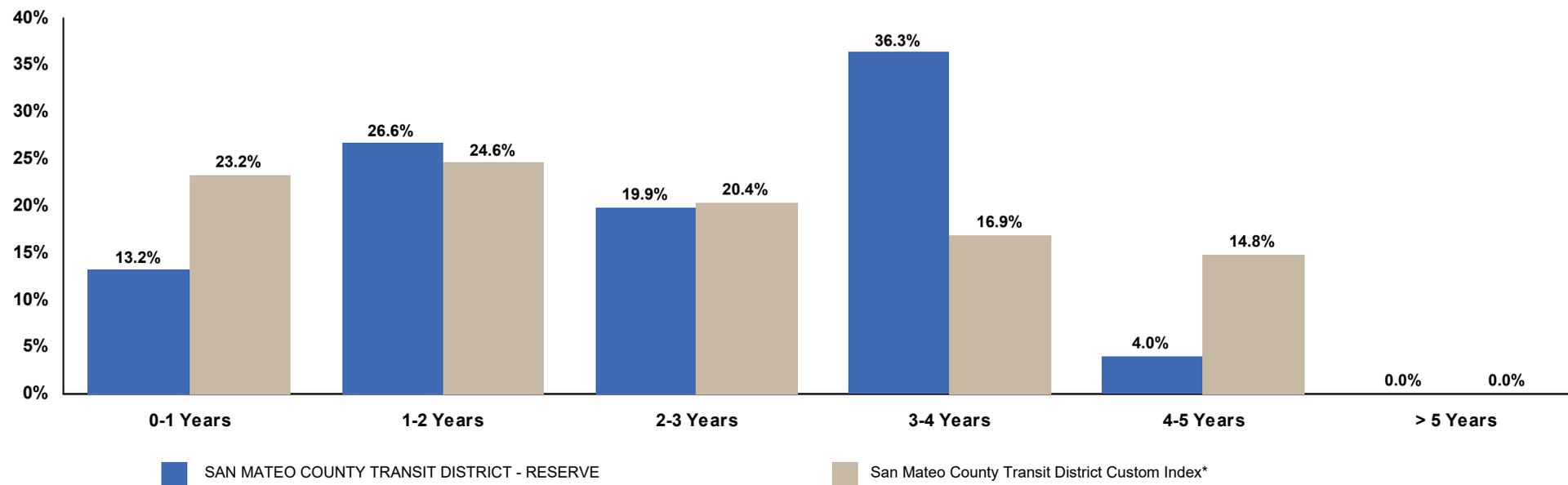


Detail may not add to total due to rounding.

**Maturity Distribution**

**As of December 31, 2017**

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE	2.02%	2.43 yrs	13.2%	26.6%	19.9%	36.3%	4.0%	0.0%
San Mateo County Transit District Custom Index*	1.89%	2.28 yrs	23.2%	24.6%	20.4%	16.9%	14.8%	0.0%



\* Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 40% 1-3 Year U.S. Treasury Index, 10% 1-3 Year High Grade Corporate Index, 40% 3-5 Year U.S. Treasury Index, and 10% 3-5 Year High Grade Corporate Index.

## Sector/Issuer Distribution

As of December 31, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Asset-Backed</b>			
ALLY AUTO RECEIVABLES TRUST	1,842,810	19.8%	2.1%
AMERICAN EXPRESS CO	676,483	7.3%	0.8%
CITIGROUP INC	2,440,928	26.2%	2.7%
FORD CREDIT AUTO OWNER TRUST	1,192,492	12.8%	1.3%
HONDA AUTO RECEIVABLES	327,526	3.5%	0.4%
JOHN DEERE OWNER TRUST	595,523	6.4%	0.7%
TOYOTA MOTOR CORP	2,235,908	24.0%	2.5%
<b>Sector Total</b>	<b>9,311,669</b>	<b>100.0%</b>	<b>10.5%</b>
<b>Certificate of Deposit</b>			
BANK OF NOVA SCOTIA	1,793,484	20.7%	2.0%
CANADIAN IMPERIAL BANK OF COMMERCE	1,796,200	20.7%	2.0%
SUMITOMO MITSUI FINANCIAL GROUP INC	1,498,974	17.3%	1.7%
SVENSKA HANDELSBANKEN AB	1,792,042	20.7%	2.0%
SWEDBANK AB	1,790,276	20.6%	2.0%
<b>Sector Total</b>	<b>8,670,977</b>	<b>100.0%</b>	<b>9.8%</b>
<b>Commercial Paper</b>			
BANK OF MONTREAL	1,786,145	20.0%	2.0%
BNP PARIBAS	1,794,717	20.1%	2.0%

## SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

## Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
CREDIT AGRICOLE SA	1,786,333	20.0%	2.0%
ING GROUP NV	1,783,636	20.0%	2.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	1,787,940	20.0%	2.0%
<b>Sector Total</b>	<b>8,938,771</b>	<b>100.0%</b>	<b>10.1%</b>
<b>Corporate</b>			
AMERICAN EXPRESS CO	1,583,485	7.6%	1.8%
AMERICAN HONDA FINANCE	1,802,691	8.6%	2.0%
APPLE INC	813,055	3.9%	0.9%
BANK OF AMERICA CO	900,235	4.3%	1.0%
BB&T CORPORATION	445,743	2.1%	0.5%
BERKSHIRE HATHAWAY INC	1,800,857	8.6%	2.0%
CATERPILLAR INC	642,412	3.1%	0.7%
CITIGROUP INC	900,415	4.3%	1.0%
DEERE & COMPANY	1,250,842	6.0%	1.4%
GOLDMAN SACHS GROUP INC	1,734,066	8.3%	2.0%
HOME DEPOT INC	446,422	2.1%	0.5%
JP MORGAN CHASE & CO	963,047	4.6%	1.1%
MICROSOFT CORP	897,339	4.3%	1.0%
MORGAN STANLEY	1,929,926	9.2%	2.2%
PEPSICO INC	593,175	2.8%	0.7%
PFIZER INC	1,177,548	5.6%	1.3%
THE WALT DISNEY CORPORATION	378,765	1.8%	0.4%
TOYOTA MOTOR CORP	1,761,775	8.4%	2.0%
WAL-MART STORES INC	894,203	4.3%	1.0%

## SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

## Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Sector Total</b>	<b>20,915,999</b>	<b>100.0%</b>	<b>23.5%</b>
<b>Federal Agency/CMO</b>			
FANNIE MAE	2,621,982	100.0%	3.0%
<b>Sector Total</b>	<b>2,621,982</b>	<b>100.0%</b>	<b>3.0%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	8,940,536	45.6%	10.1%
FEDERAL HOME LOAN BANKS	6,143,949	31.4%	6.9%
FREDDIE MAC	4,512,781	23.0%	5.1%
<b>Sector Total</b>	<b>19,597,266</b>	<b>100.0%</b>	<b>22.1%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	18,802,174	100.0%	21.2%
<b>Sector Total</b>	<b>18,802,174</b>	<b>100.0%</b>	<b>21.2%</b>
<b>Portfolio Total</b>	<b>88,858,838</b>	<b>100.0%</b>	<b>100.0%</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
10/5/17	10/10/17	600,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	599,880.00	2.01%	
10/5/17	10/10/17	1,100,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	1,080,609.88	1.85%	
10/11/17	10/20/17	900,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	898,695.00	1.95%	
10/13/17	10/13/17	1,800,000	4497W1G26	ING (US) FUNDING LLC COMM PAPER	0.00%	7/2/18	1,779,040.00	1.62%	
10/23/17	10/24/17	1,000,000	06538CGL9	BANK OF TOKYO MITS UFJ LTD COMM PAPER	0.00%	7/20/18	987,745.56	1.66%	
10/23/17	10/26/17	450,000	05531FAZ6	BRANCH BANKING & TRUST (CALLABLE) NOTES	2.15%	2/1/21	449,793.00	2.17%	
11/1/17	11/3/17	350,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	353,073.29	2.39%	
11/16/17	11/17/17	1,800,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	1,800,000.00	2.30%	
12/1/17	12/1/17	1,800,000	22533UF16	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	6/1/18	1,784,803.00	1.68%	
12/4/17	12/6/17	1,270,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	1,259,172.00	2.12%	
<b>Total BUY</b>		<b>11,070,000</b>					<b>10,992,811.73</b>		
<b>INTEREST</b>									
10/1/17	10/25/17	272,097	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	351.46		
10/1/17	10/25/17	594,206	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,039.24		
10/1/17	10/25/17	2,000,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	4,464.18		
10/2/17	10/2/17	1,100,000	073902PR3	BEAR STEARNS CO INC NOTES	6.40%	10/2/17	35,200.00		
10/2/17	10/2/17	0	MONEY0002	MONEY MARKET FUND			170.34		
10/5/17	10/5/17	1,800,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON LT CD	1.91%	4/5/19	17,381.00		
10/7/17	10/7/17	900,000	17305EGB5	CITIBANK ABS 2017-A3 A3	1.92%	4/7/22	8,448.00		
10/15/17	10/15/17	405,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	573.75		
10/15/17	10/15/17	600,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	910.00		
10/15/17	10/15/17	800,000	24422ETM1	JOHN DEERE CAPITAL CORP	1.65%	10/15/18	6,600.00		
10/15/17	10/15/17	450,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	648.75		

## SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/15/17	10/15/17	680,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	929.33		
10/15/17	10/15/17	1,200,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	1,670.00		
10/15/17	10/15/17	1,445,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	2,143.42		
10/15/17	10/15/17	1,800,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	2,640.00		
10/18/17	10/18/17	330,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	311.76		
10/18/17	10/18/17	670,000	89236TDH5	TOYOTA MOTOR CORP NOTES	1.55%	10/18/19	5,192.50		
10/20/17	10/20/17	1,300,000	3137EAEF2	FHLMC AGENCY NOTES	1.37%	4/20/20	8,937.50		
10/30/17	10/30/17	1,100,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	9,350.00		
10/30/17	10/30/17	500,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	4,250.00		
10/31/17	10/31/17	65,000	912828ST8	US TREASURY NOTES	1.25%	4/30/19	406.25		
10/31/17	10/31/17	3,100,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	19,375.00		
10/31/17	10/31/17	2,000,000	912828Q78	US TREASURY NOTES	1.37%	4/30/21	13,750.00		
10/31/17	10/31/17	1,550,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	9,687.50		
10/31/17	10/31/17	1,100,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	6,875.00		
11/1/17	11/1/17	0	MONEY0002	MONEY MARKET FUND			450.21		
11/1/17	11/25/17	261,083	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	337.23		
11/1/17	11/25/17	553,936	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	866.76		
11/1/17	11/25/17	2,000,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	4,464.18		
11/3/17	11/3/17	1,500,000	86563YVN0	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	15,631.25		
11/11/17	11/11/17	820,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	7,380.00		
11/15/17	11/15/17	405,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	573.75		
11/15/17	11/15/17	1,200,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	1,670.00		
11/15/17	11/15/17	600,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	910.00		
11/15/17	11/15/17	1,445,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	2,143.42		
11/15/17	11/15/17	1,800,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	2,640.00		
11/15/17	11/15/17	450,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	648.75		
11/15/17	11/15/17	680,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	929.33		
11/18/17	11/18/17	330,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	492.25		
11/30/17	11/30/17	1,400,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	9,625.00		
11/30/17	11/30/17	1,870,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	12,856.25		

## SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/30/17	11/30/17	1,800,000	13606A5Z7	CANADIAN IMPERIAL BANK NY CD	1.76%	11/30/18	15,840.00		
12/1/17	12/1/17	0	MONEY0002	MONEY MARKET FUND			516.31		
12/1/17	12/25/17	460,099	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,087.16		
12/1/17	12/25/17	2,000,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	4,587.68		
12/1/17	12/25/17	236,500	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	305.48		
12/5/17	12/5/17	450,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	4,050.00		
12/15/17	12/15/17	680,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	929.33		
12/15/17	12/15/17	1,800,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	2,640.00		
12/15/17	12/15/17	450,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	648.75		
12/15/17	12/15/17	1,445,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	2,143.42		
12/15/17	12/15/17	405,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	573.75		
12/15/17	12/15/17	600,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	910.00		
12/15/17	12/15/17	1,185,000	717081EB5	PFIZER INC CORP NOTE	1.70%	12/15/19	10,072.50		
12/15/17	12/15/17	650,000	24422ESR1	JOHN DEERE CAPITAL CORP NOTE	1.55%	12/15/17	5,037.50		
12/15/17	12/15/17	1,200,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	1,670.00		
12/18/17	12/18/17	330,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	492.25		
<b>Total INTEREST</b>		<b>54,767,922</b>					<b>274,427.49</b>		
<b>MATURITY</b>									
10/2/17	10/2/17	1,100,000	073902PR3	BEAR STEARNS CO INC NOTES	6.40%	10/2/17	1,100,000.00		0.00
10/13/17	10/13/17	1,800,000	13607EXD6	CANADIAN IMPERIAL HLDING COMM PAPER	0.00%	10/13/17	1,800,000.00		0.00
10/23/17	10/23/17	1,000,000	06538BXP3	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	0.00%	10/23/17	1,000,000.00		0.00
11/20/17	11/20/17	1,800,000	22533TYL4	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	11/20/17	1,800,000.00		0.00
12/15/17	12/15/17	650,000	24422ESR1	JOHN DEERE CAPITAL CORP NOTE	1.55%	12/15/17	650,000.00		0.00
<b>Total MATURITY</b>		<b>6,350,000</b>					<b>6,350,000.00</b>		<b>0.00</b>

## SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>PAYDOWNS</b>									
10/1/17	10/25/17	40,270	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	40,270.25		0.00
10/1/17	10/25/17	11,014	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	11,014.48		0.00
11/1/17	11/25/17	93,838	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	93,837.55		0.00
11/1/17	11/25/17	24,582	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	24,582.28		0.00
12/1/17	12/25/17	61,767	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	61,766.92		0.00
12/1/17	12/25/17	14,705	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	14,705.20		0.00
12/1/17	12/25/17	13,643	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	13,643.03		0.00
<b>Total PAYDOWNS</b>		<b>259,820</b>					<b>259,819.71</b>		<b>0.00</b>
<b>SELL</b>									
10/5/17	10/10/17	600,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	599,623.85	1.59%	1,286.93
10/11/17	10/20/17	900,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	899,352.01	1.61%	1,438.18
10/23/17	10/26/17	450,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	449,250.10	1.66%	170.65
11/16/17	11/17/17	1,800,000	65558LWA6	NORDEA BANK FINLAND NY CD	1.76%	11/30/18	1,814,454.00	0.92%	(594.00)
12/4/17	12/6/17	900,000	24422ESR1	JOHN DEERE CAPITAL CORP NOTE	1.55%	12/15/17	906,626.25	1.54%	(98.70)
<b>Total SELL</b>		<b>4,650,000</b>					<b>4,669,306.21</b>		<b>2,203.06</b>



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 04/30/2012 1.250% 04/30/2019	912828ST8	65,000.00	AA+	Aaa	03/24/15	03/25/15	64,987.30	1.25	139.16	64,995.88	64,484.55
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	1,870,000.00	AA+	Aaa	12/04/15	12/07/15	1,845,821.49	1.68	2,260.44	1,856,762.81	1,846,041.56
US TREASURY NOTES DTD 07/31/2013 2.000% 07/31/2020	912828VP2	1,650,000.00	AA+	Aaa	05/17/16	05/18/16	1,705,623.04	1.18	13,809.78	1,684,490.43	1,652,707.65
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	410,000.00	AA+	Aaa	06/28/16	06/29/16	417,495.32	0.93	1,915.50	414,814.05	404,010.31
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	2,000,000.00	AA+	Aaa	01/03/17	01/05/17	1,960,312.50	1.86	4,709.94	1,969,141.56	1,956,718.00
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	1,400,000.00	AA+	Aaa	03/15/17	03/17/17	1,363,632.81	2.02	1,692.31	1,370,276.80	1,368,500.00
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,000,000.00	AA+	Aaa	04/03/17	04/05/17	1,007,734.38	1.82	6,795.58	1,006,478.66	996,719.00
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,500,000.00	AA+	Aaa	06/27/17	06/29/17	1,516,347.66	1.73	10,193.37	1,514,418.56	1,495,078.50
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	2,200,000.00	AA+	Aaa	07/06/17	07/11/17	2,213,320.31	1.85	14,950.28	2,211,848.41	2,192,781.80
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	1,100,000.00	AA+	Aaa	10/05/17	10/10/17	1,074,519.53	1.85	2,354.97	1,075,909.90	1,065,625.00
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	1,550,000.00	AA+	Aaa	08/01/17	08/03/17	1,520,271.48	1.72	3,318.37	1,523,085.41	1,501,562.50
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	3,100,000.00	AA+	Aaa	08/30/17	08/31/17	3,051,078.13	1.64	6,636.74	3,054,934.80	3,003,125.00
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	1,270,000.00	AA+	Aaa	12/04/17	12/06/17	1,256,803.91	2.12	4,078.38	1,257,011.94	1,254,819.69
<b>Security Type Sub-Total</b>		<b>19,115,000.00</b>					<b>18,997,947.86</b>	<b>1.73</b>	<b>72,854.82</b>	<b>19,004,169.21</b>	<b>18,802,173.56</b>



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>												
FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018		3136ANJY4	222,857.44	AA+	Aaa	04/15/15	04/30/15	225,085.21	0.83	287.86	222,857.44	222,567.75
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019		3136AQDQ0	398,331.66	AA+	Aaa	10/07/15	10/30/15	402,320.52	1.08	546.38	399,739.16	397,004.98
FNA 2014-M6 A2 DTD 06/01/2014 2.679% 05/25/2021		3136AJ7G5	1,985,294.80	AA+	Aaa	12/12/16	12/15/16	2,025,466.00	1.70	4,431.36	2,014,120.15	2,002,409.03
<b>Security Type Sub-Total</b>			<b>2,606,483.90</b>					<b>2,652,871.73</b>	<b>1.54</b>	<b>5,265.60</b>	<b>2,636,716.75</b>	<b>2,621,981.76</b>
<b>Federal Agency Bond / Note</b>												
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019		3137EAEB1	2,700,000.00	AA+	Aaa	07/19/16	07/20/16	2,693,466.00	0.96	10,631.25	2,696,597.78	2,657,782.80
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019		3135G0N33	1,600,000.00	AA+	Aaa	07/29/16	08/02/16	1,597,312.00	0.93	5,794.44	1,598,569.65	1,574,356.80
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019		3130A8Y72	450,000.00	AA+	Aaa	08/03/16	08/04/16	449,136.00	0.94	1,596.88	449,538.23	442,682.55
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019		3135G0P49	2,700,000.00	AA+	Aaa	08/31/16	09/02/16	2,695,788.00	1.05	9,225.00	2,697,646.71	2,660,172.30
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019		3130A9EP2	2,700,000.00	AA+	Aaa	09/08/16	09/09/16	2,697,651.00	1.03	7,125.00	2,698,651.24	2,658,636.00
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020		3135G0T29	1,300,000.00	AA+	Aaa	02/24/17	02/28/17	1,299,168.00	1.52	6,662.50	1,299,397.72	1,286,509.90
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020		3137EAEF2	1,300,000.00	AA+	Aaa	04/19/17	04/20/17	1,295,554.00	1.49	3,525.35	1,296,570.31	1,281,624.50
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020		3135G0T60	1,500,000.00	AA+	Aaa	07/28/17	08/01/17	1,495,455.00	1.60	9,375.00	1,496,074.11	1,481,445.00
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020		3130ACE26	440,000.00	AA+	Aaa	09/07/17	09/08/17	438,587.60	1.48	1,562.92	438,728.99	432,332.56
FHLMC NOTES DTD 09/29/2017 1.625% 09/29/2020		3137EAEJ4	580,000.00	AA+	Aaa	09/28/17	09/29/17	578,950.20	1.69	2,408.61	579,037.76	573,374.08



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE**

<b>Security Type/Description Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8OS5	2,700,000.00	AA+	Aaa	07/14/16	07/15/16	2,683,581.30	1.25	14,090.63	2,688,277.03	2,610,297.90
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	475,000.00	AA+	Aaa	08/17/16	08/19/16	473,375.03	1.32	2,210.07	473,809.14	460,287.35
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,525,000.00	AA+	Aaa	08/17/16	08/19/16	1,518,823.75	1.33	7,095.49	1,520,473.37	1,477,764.65
<b>Security Type Sub-Total</b>		<b>19,970,000.00</b>					<b>19,916,847.88</b>	<b>1.21</b>	<b>81,303.14</b>	<b>19,933,372.04</b>	<b>19,597,266.39</b>
<b>Corporate Note</b>											
JOHN DEERE CAPITAL CORP DTD 01/06/2017 1.650% 10/15/2018	24422ETM1	800,000.00	A	A2	01/03/17	01/06/17	799,480.00	1.69	2,786.67	799,764.06	798,221.60
TOYOTA MOTOR CREDIT CORP DTD 01/09/2017 1.700% 01/09/2019	89236TDM4	1,100,000.00	AA-	Aa3	01/04/17	01/09/17	1,099,615.00	1.72	8,934.44	1,099,801.59	1,097,724.10
BERKSHIRE HATHAWAY INC GLOBAL NOTES DTD 08/14/2014 2.100% 08/14/2019	084670BL1	1,800,000.00	AA	Aa2	12/20/16	12/23/16	1,810,188.00	1.88	14,385.00	1,806,314.71	1,800,856.80
AMERICAN HONDA FINANCE GLOBAL NOTES DTD 09/09/2014 2.250% 08/15/2019	02665WAH4	1,800,000.00	A+	A2	12/15/16	12/20/16	1,808,946.00	2.06	15,300.00	1,805,540.18	1,802,691.00
TOYOTA MOTOR CORP NOTES DTD 10/18/2016 1.550% 10/18/2019	89236TDH5	670,000.00	AA-	Aa3	10/13/16	10/18/16	669,665.00	1.57	2,105.85	669,797.48	664,051.07
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	500,000.00	A-	A2	10/26/16	10/31/16	499,405.00	1.74	1,440.28	499,633.37	494,839.00
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	1,100,000.00	A-	A2	10/26/16	10/31/16	1,100,209.00	1.69	3,168.61	1,100,128.57	1,088,645.80
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	1,185,000.00	AA	A1	11/14/16	11/21/16	1,184,146.80	1.72	895.33	1,184,447.59	1,177,547.54
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	900,000.00	BBB+	Baa1	01/04/17	01/10/17	899,640.00	2.46	10,473.75	899,754.13	900,414.90



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE**

<b>Security Type/Description</b>	<b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>												
MICROSOFT CORP DTD 02/06/2017 1.850% 02/06/2020		594918BV5	900,000.00	AAA	Aaa	01/30/17	02/06/17	899,397.00	1.87	6,706.25	899,574.99	897,338.70
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020		25468PDP8	380,000.00	A+	A2	03/01/17	03/06/17	379,901.20	1.96	2,408.25	379,927.54	378,765.00
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020		037833CS7	820,000.00	AA+	Aa1	05/04/17	05/11/17	819,163.60	1.84	2,050.00	819,338.03	813,055.42
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020		437076BQ4	450,000.00	A	A2	05/24/17	06/05/17	449,739.00	1.82	585.00	449,787.72	446,421.60
MORGAN STANLEY CORP NOTE DTD 07/26/2010 5.500% 07/24/2020		6174467P8	1,800,000.00	BBB+	A3	11/07/16	11/10/16	2,009,250.00	2.21	43,175.00	1,946,620.17	1,929,925.80
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020		14913Q2A6	650,000.00	A	A3	09/05/17	09/07/17	649,454.00	1.88	3,807.92	649,510.21	642,411.90
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020		931142EA7	900,000.00	AA	Aa2	10/11/17	10/20/17	898,695.00	1.95	3,372.50	898,778.61	894,203.10
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021		05531FAZ6	450,000.00	A-	A2	10/23/17	10/26/17	449,793.00	2.17	1,746.88	449,800.02	445,743.00
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021		713448DX3	600,000.00	A+	A1	10/05/17	10/10/17	599,880.00	2.01	2,700.00	599,887.78	593,175.00
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021		06051GFW4	350,000.00	A-	A3	11/01/17	11/03/17	352,716.00	2.39	1,837.50	352,594.63	351,785.70
GOLDMAN SACHS GROUP CORP NOTES DTD 07/27/2011 5.250% 07/27/2021		38141GGO1	1,600,000.00	BBB+	A3	11/22/16	11/28/16	1,765,872.00	2.86	35,933.33	1,729,027.71	1,734,065.60
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021		06051GGS2	550,000.00	A-	A3	09/13/17	09/18/17	550,000.00	2.33	3,663.37	550,000.00	548,449.55
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022		24422ETL3	450,000.00	A	A2	03/10/17	03/15/17	448,015.50	2.75	5,796.88	448,333.83	452,620.35
JPMORGAN CHASE & CO CORP NOTES DTD 01/23/2012 4.500% 01/24/2022		46625HJD3	900,000.00	A-	A3	05/23/17	05/26/17	973,638.00	2.62	17,662.50	964,714.73	963,046.80



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE**

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
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**Corporate Note**

<b>Security Type Sub-Total</b>		<b>20,655,000.00</b>					<b>21,116,809.10</b>	<b>2.07</b>	<b>190,935.31</b>	<b>21,003,077.65</b>	<b>20,915,999.33</b>
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**Commercial Paper**

BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA DTD 05/22/2017 0.000% 02/16/2018	06538CBG5	800,000.00	A-1	P-1	05/23/17	05/23/17	791,212.67	1.49	0.00	798,497.34	798,236.80
BNP PARIBAS NY BRANCH COMM PAPER DTD 07/06/2017 0.000% 03/07/2018	09659CC71	1,800,000.00	A-1	P-1	07/06/17	07/07/17	1,781,775.00	1.52	0.00	1,795,125.01	1,794,717.00
CREDIT AGRICOLE CIB NY COMM PAPER DTD 12/01/2017 0.000% 06/01/2018	22533UF16	1,800,000.00	A-1	P-1	12/01/17	12/01/17	1,784,803.00	1.68	0.00	1,787,391.50	1,786,332.60
BANK OF MONTREAL CHICAGO COMM PAPER DTD 09/07/2017 0.000% 06/04/2018	06366HF44	1,800,000.00	A-1	P-1	09/07/17	09/08/17	1,780,180.17	1.49	0.00	1,788,653.32	1,786,145.40
ING (US) FUNDING LLC COMM PAPER DTD 10/06/2017 0.000% 07/02/2018	4497W1G26	1,800,000.00	A-1	P-1	10/13/17	10/13/17	1,779,040.00	1.62	0.00	1,785,440.00	1,783,636.20
BANK OF TOKYO MITS UFJ LTD COMM PAPER DTD 10/24/2017 0.000% 07/20/2018	06538CGL9	1,000,000.00	A-1	P-1	10/23/17	10/24/17	987,745.56	1.66	0.00	990,888.88	989,703.00

<b>Security Type Sub-Total</b>		<b>9,000,000.00</b>					<b>8,904,756.40</b>	<b>1.58</b>	<b>0.00</b>	<b>8,945,996.05</b>	<b>8,938,771.00</b>
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**Certificate of Deposit**

CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	1,800,000.00	A-1	P-1	12/01/16	12/05/16	1,798,596.00	1.78	2,728.00	1,799,355.13	1,796,200.20
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	1,800,000.00	AA-	Aa2	01/10/17	01/12/17	1,800,000.00	1.91	16,537.50	1,800,000.00	1,792,042.20
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	1,800,000.00	A+	A1	04/05/17	04/06/17	1,800,000.00	1.91	8,404.00	1,800,000.00	1,793,484.00
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVNO	1,500,000.00	A	A1	05/03/17	05/04/17	1,500,000.00	2.05	5,039.58	1,500,000.00	1,498,974.00



## Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

### SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	1,800,000.00	AA-	Aa3	11/16/17	11/17/17	1,800,000.00	2.30	5,107.50	1,800,000.00	1,790,276.40
<b>Security Type Sub-Total</b>		<b>8,700,000.00</b>					<b>8,698,596.00</b>	<b>1.99</b>	<b>37,816.58</b>	<b>8,699,355.13</b>	<b>8,670,976.80</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021	17305EGA7	1,550,000.00	AAA	Aaa	01/19/17	01/26/17	1,549,703.18	1.75	12,286.33	1,550,000.00	1,546,542.11
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	450,000.00	AAA	Aaa	03/07/17	03/15/17	449,947.04	1.74	346.00	449,948.20	447,772.28
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	405,000.00	NR	Aaa	01/24/17	01/31/17	404,964.60	1.70	306.00	404,972.43	403,112.38
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	1,200,000.00	NR	Aaa	01/18/17	01/25/17	1,199,995.56	1.67	890.67	1,199,996.84	1,192,491.84
TOYOTA ABS 2017-B A3 DTD 05/17/2017 1.760% 07/15/2021	89190BAD0	1,800,000.00	AAA	Aaa	05/09/17	05/17/17	1,799,861.94	1.76	1,408.00	1,799,861.94	1,788,135.30
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	1,445,000.00	NR	Aaa	03/21/17	03/29/17	1,444,829.63	1.79	1,143.16	1,444,860.53	1,439,697.43
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	330,000.00	AAA	NR	09/25/17	09/29/17	329,964.26	1.94	213.31	329,966.33	327,526.35
JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	600,000.00	NR	Aaa	07/11/17	07/18/17	599,956.08	1.82	485.33	599,960.95	595,522.74
AMERICAN EXPRESS ABS 2017-4 A DTD 05/30/2017 1.640% 12/15/2021	02582JHG8	680,000.00	AAA	NR	05/22/17	05/30/17	679,891.06	1.65	495.64	679,904.02	676,482.97
CITIBANK ABS 2017-A3 A3 DTD 04/11/2017 1.920% 04/07/2022	17305EGB5	900,000.00	AAA	NR	05/15/17	05/22/17	902,403.00	1.82	4,032.00	902,189.74	894,385.71
<b>Security Type Sub-Total</b>		<b>9,360,000.00</b>					<b>9,361,516.35</b>	<b>1.76</b>	<b>21,606.44</b>	<b>9,361,660.98</b>	<b>9,311,669.11</b>
<b>Managed Account Sub-Total</b>		<b>89,406,483.90</b>					<b>89,649,345.32</b>	<b>1.70</b>	<b>409,781.89</b>	<b>89,584,347.81</b>	<b>88,858,837.95</b>



### Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

#### SAN MATEO COUNTY TRANSIT DISTRICT - RESERVE

<b>Securities Sub-Total</b>	<b>\$89,406,483.90</b>	<b>\$89,649,345.32</b>	<b>1.70%</b>	<b>\$409,781.89</b>	<b>\$89,584,347.81</b>	<b>\$88,858,837.95</b>
<b>Accrued Interest</b>						<b>\$409,781.89</b>
<b>Total Investments</b>						<b>\$89,268,619.84</b>

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# *Paratransit Portfolio*

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## Sector Allocation and Compliance

- The Paratransit portfolio is in compliance with the District's Investment Policy and the California Government Code.

<b>Security Type</b>	<b>Market Value as of December 31, 2017</b>	<b>% of Portfolio</b>	<b>Permitted by Policy</b>	<b>In Compliance</b>
U.S. Treasury	\$5,447,526	21.5%	100%	✓
Federal Agency/GSE	\$5,863,136	23.1%	100%	✓
Federal Agency/CMO	\$726,828	2.9%	20%	✓
Corporate Notes	\$5,852,268	23.1%	30%	✓
Negotiable CDs	\$2,491,881	9.8%	10%	✓
Asset-Backed Securities	\$2,646,276	10.4%	30%	✓
Commercial Paper	\$2,280,607	9.0%	15%	✓
<b>Securities Sub-Total</b>	<b>\$25,308,522</b>	<b>99.8%</b>		
Accrued Interest	\$118,708			
<b>Securities Total</b>	<b>\$25,427,230</b>			
Money Market Fund	\$56,113	0.2%	10%	✓
<b>Total Investments</b>	<b>\$25,483,343</b>	<b>100.0%</b>		

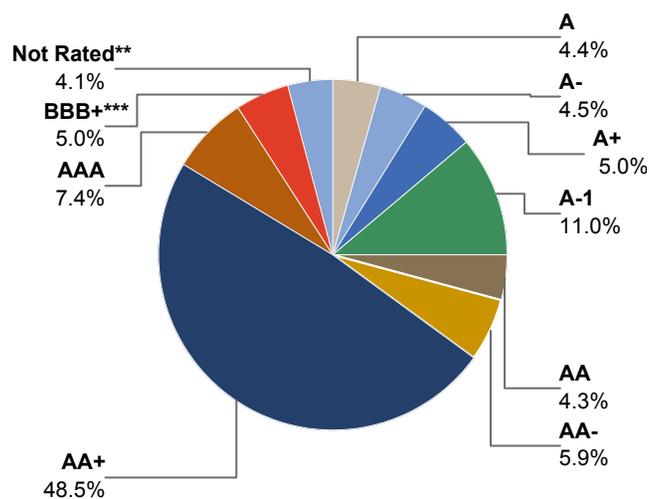
As of 12/31/17. Detail may not add to total due to rounding.

**Portfolio Statistics**

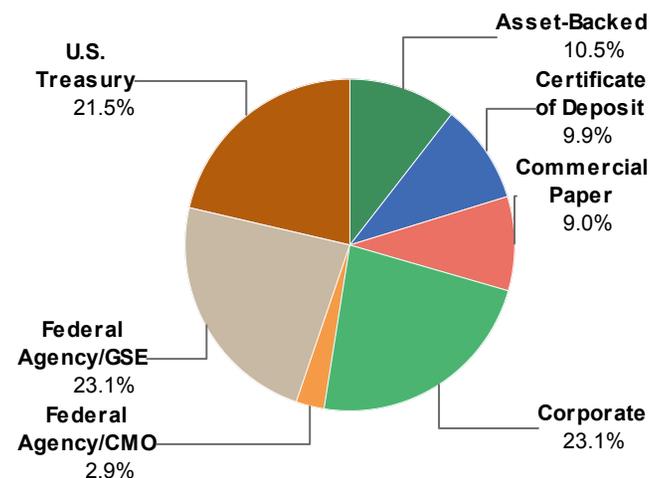
As of December 31, 2017

<b>Par Value:</b>	\$25,457,584
<b>Total Market Value:</b>	\$25,483,343
<b>Security Market Value:</b>	\$25,308,522
<b>Accrued Interest:</b>	\$118,708
<b>Cash:</b>	\$56,113
<b>Amortized Cost:</b>	\$25,520,168
<b>Yield at Market:</b>	2.02%
<b>Yield at Cost:</b>	1.69%
<b>Effective Duration:</b>	2.11 Years
<b>Duration to Worst:</b>	2.16 Years
<b>Average Maturity:</b>	2.41 Years
<b>Average Credit: *</b>	AA

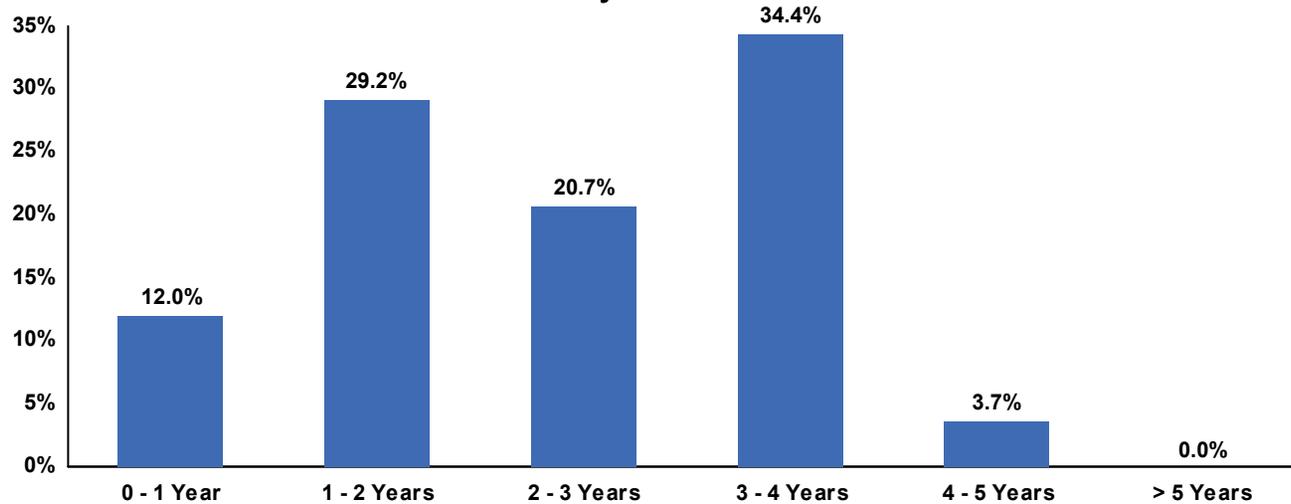
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



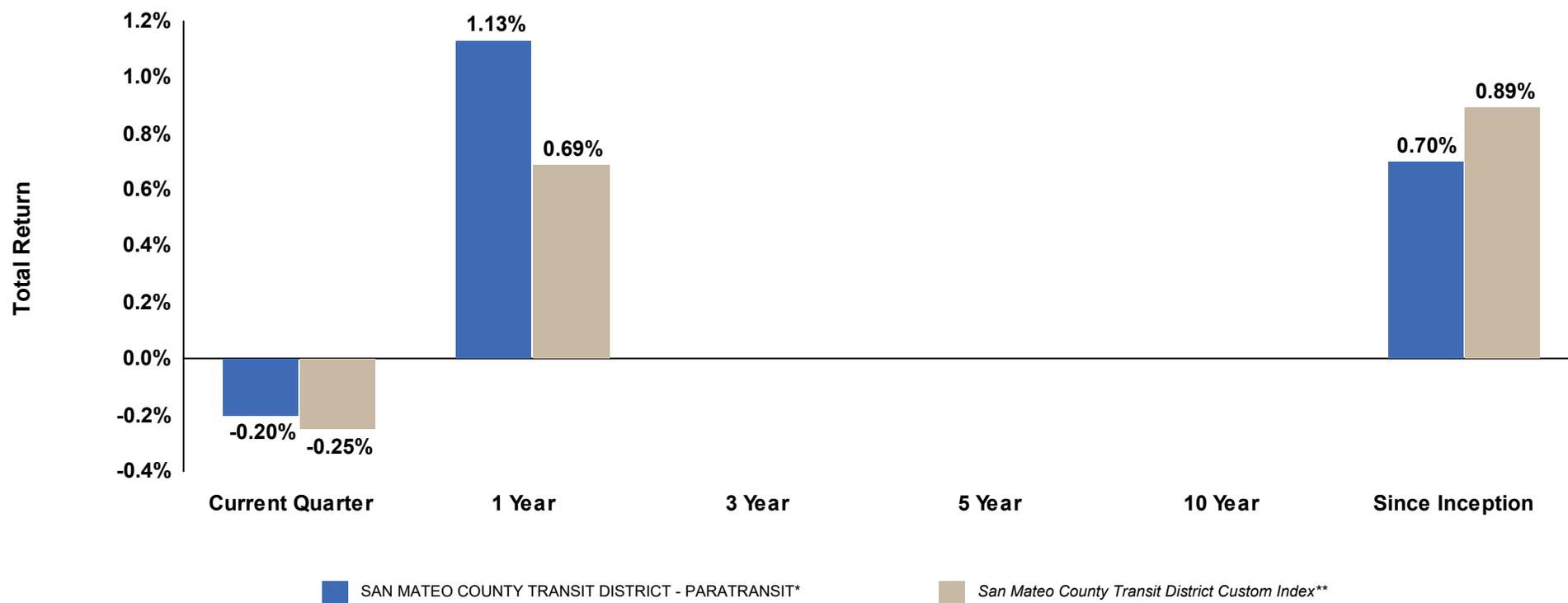
\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\* The "Not Rated" category comprises asset-backed securities rated Aaa by Moody's.

\*\*\* The "BBB+" category comprises securities rated A- or better by Moody's and/or Fitch.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/15)
			1 Year	3 Year	5 Year	10 Year	
SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT*	2.11	-0.20%	1.13%	-	-	-	0.70%
San Mateo County Transit District Custom Index**	2.12	-0.25%	0.69%	-	-	-	0.89%
Difference		0.05%	0.44%	-	-	-	-0.19%



\* Portfolio performance is gross of fees unless otherwise indicated.

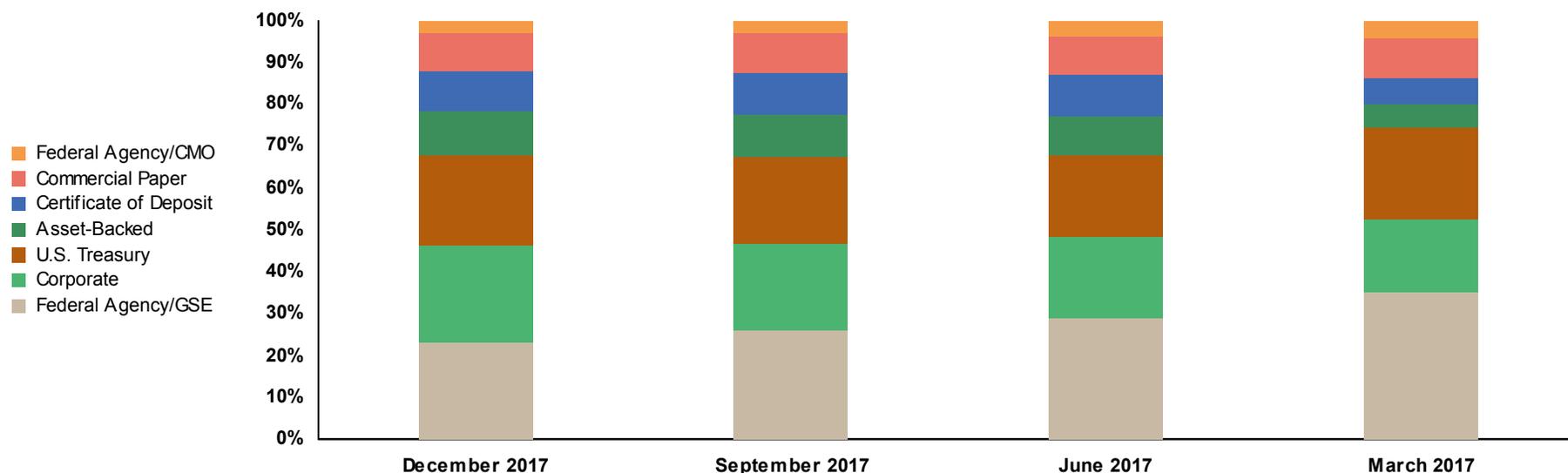
\*\* Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 40% 1-3 Year U.S. Treasury Index, 10% 1-3 Year High Grade Corporate Index, 40% 3-5 Year U.S. Treasury Index, and 10% 3-5 Year High Grade Corporate Index.

**Portfolio Earnings***Quarter-Ended December 31, 2017*

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (09/30/2017)</b>	\$25,397,007.84	\$25,454,076.91
<b>Net Purchases/Sales</b>	\$67,409.19	\$67,409.19
<b>Change in Value</b>	(\$155,894.61)	(\$1,317.74)
<b>Ending Value (12/31/2017)</b>	\$25,308,522.42	\$25,520,168.36
<b>Interest Earned</b>	\$105,411.08	\$105,411.08
<b>Portfolio Earnings</b>	(\$50,483.53)	\$104,093.34

Sector Allocation

Sector	December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	5.9	23.1%	6.6	25.8%	7.3	28.9%	8.8	35.1%
Corporate	5.9	23.1%	5.3	20.7%	4.9	19.4%	4.3	17.3%
U.S. Treasury	5.4	21.5%	5.2	20.7%	4.9	19.4%	5.4	21.8%
Asset-Backed	2.6	10.5%	2.7	10.5%	2.4	9.5%	1.4	5.8%
Certificate of Deposit	2.5	9.9%	2.5	9.9%	2.5	9.9%	1.5	6.1%
Commercial Paper	2.3	9.0%	2.3	9.2%	2.3	9.2%	2.4	9.6%
Federal Agency/CMO	0.7	2.9%	0.8	3.2%	0.9	3.7%	1.1	4.3%
<b>Total</b>	<b>\$25.3</b>	<b>100.0%</b>	<b>\$25.4</b>	<b>100.0%</b>	<b>\$25.3</b>	<b>100.0%</b>	<b>\$24.9</b>	<b>100.0%</b>

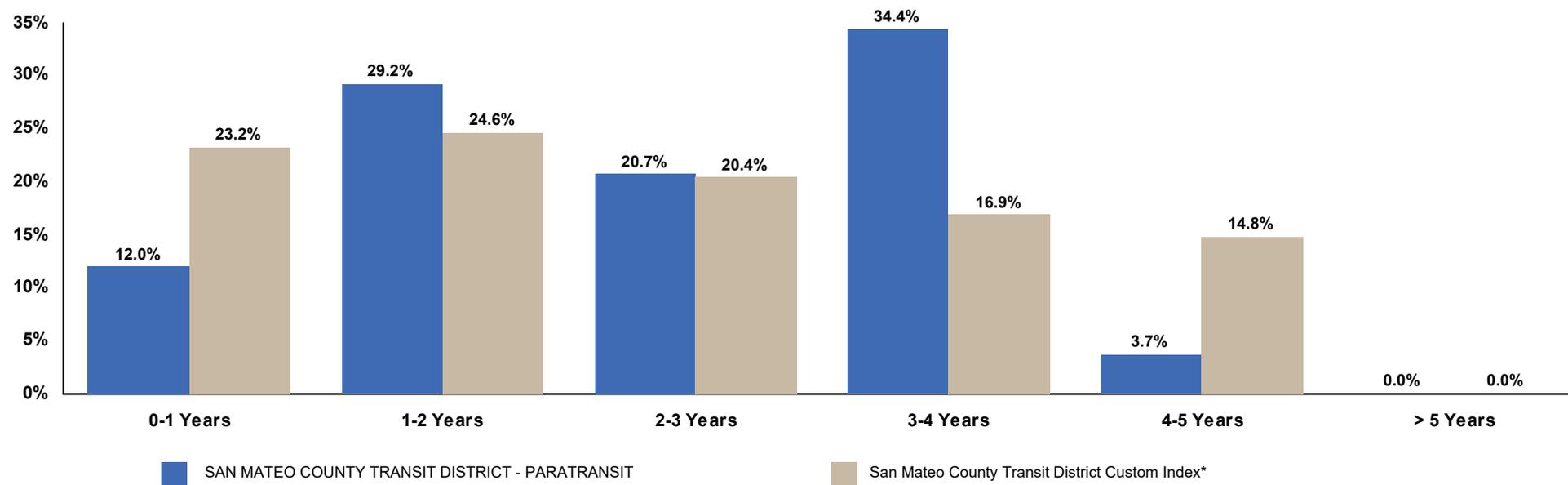


Detail may not add to total due to rounding.

**Maturity Distribution**

**As of December 31, 2017**

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT	2.02%	2.41 yrs	12.0%	29.2%	20.7%	34.4%	3.7%	0.0%
San Mateo County Transit District Custom Index*	1.89%	2.28 yrs	23.2%	24.6%	20.4%	16.9%	14.8%	0.0%



\* Composed of the 0-5 Year U.S. Treasury Index since 6/30/2016. Before 6/30/2016, composed of 40% 1-3 Year U.S. Treasury Index, 10% 1-3 Year High Grade Corporate Index, 40% 3-5 Year U.S. Treasury Index, and 10% 3-5 Year High Grade Corporate Index.

## Sector/Issuer Distribution

As of December 31, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Asset-Backed</b>			
ALLY AUTO RECEIVABLES TRUST	512,996	19.4%	2.0%
AMERICAN EXPRESS CO	198,966	7.5%	0.8%
CITIGROUP INC	697,437	26.4%	2.8%
FORD CREDIT AUTO OWNER TRUST	347,810	13.1%	1.4%
HONDA AUTO RECEIVABLES	99,250	3.8%	0.4%
JOHN DEERE OWNER TRUST	168,731	6.4%	0.7%
TOYOTA MOTOR CORP	621,085	23.5%	2.5%
<b>Sector Total</b>	<b>2,646,276</b>	<b>100.0%</b>	<b>10.5%</b>
<b>Certificate of Deposit</b>			
BANK OF NOVA SCOTIA	498,190	20.0%	2.0%
CANADIAN IMPERIAL BANK OF COMMERCE	498,945	20.0%	2.0%
SUMITOMO MITSUI FINANCIAL GROUP INC	499,658	20.1%	2.0%
SVENSKA HANDELSBANKEN AB	497,790	20.0%	2.0%
SWEDBANK AB	497,299	20.0%	2.0%
<b>Sector Total</b>	<b>2,491,881</b>	<b>100.0%</b>	<b>9.8%</b>
<b>Commercial Paper</b>			
BANK OF MONTREAL	545,767	23.9%	2.2%
BNP PARIBAS	493,651	21.6%	2.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
CREDIT AGRICOLE SA	496,286	21.8%	2.0%
ING GROUP NV	495,455	21.7%	2.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	249,449	10.9%	1.0%
<b>Sector Total</b>	<b>2,280,607</b>	<b>100.0%</b>	<b>9.0%</b>
<b>Corporate</b>			
AMERICAN EXPRESS CO	494,839	8.5%	2.0%
AMERICAN HONDA FINANCE	500,748	8.6%	2.0%
APPLE INC	223,094	3.8%	0.9%
BANK OF AMERICA CO	260,059	4.4%	1.0%
BB&T CORPORATION	123,818	2.1%	0.5%
BERKSHIRE HATHAWAY INC	500,238	8.5%	2.0%
CATERPILLAR INC	182,840	3.1%	0.7%
CITIGROUP INC	250,115	4.3%	1.0%
DEERE & COMPANY	315,225	5.4%	1.2%
GOLDMAN SACHS GROUP INC	487,706	8.3%	1.9%
HOME DEPOT INC	124,006	2.1%	0.5%
JP MORGAN CHASE & CO	267,513	4.6%	1.1%
MICROSOFT CORP	249,261	4.3%	1.0%
MORGAN STANLEY	536,091	9.2%	2.1%
PEPSICO INC	163,123	2.8%	0.6%
PFIZER INC	327,925	5.6%	1.3%
THE WALT DISNEY CORPORATION	99,675	1.7%	0.4%
TOYOTA MOTOR CORP	497,604	8.5%	2.0%
WAL-MART STORES INC	248,390	4.2%	1.0%

## SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT

## Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Sector Total</b>	<b>5,852,268</b>	<b>100.0%</b>	<b>23.1%</b>
<b>Federal Agency/CMO</b>			
FANNIE MAE	726,828	100.0%	2.9%
<b>Sector Total</b>	<b>726,828</b>	<b>100.0%</b>	<b>2.9%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	2,573,446	43.9%	10.2%
FEDERAL HOME LOAN BANKS	2,043,249	34.8%	8.1%
FREDDIE MAC	1,246,441	21.3%	4.9%
<b>Sector Total</b>	<b>5,863,136</b>	<b>100.0%</b>	<b>23.2%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	5,447,526	100.0%	21.5%
<b>Sector Total</b>	<b>5,447,526</b>	<b>100.0%</b>	<b>21.5%</b>
<b>Portfolio Total</b>	<b>25,308,522</b>	<b>100.0%</b>	<b>100.0%</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
10/5/17	10/10/17	165,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	164,967.00	2.01%	
10/5/17	10/10/17	500,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	491,186.31	1.85%	
10/11/17	10/20/17	250,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	249,637.50	1.95%	
10/13/17	10/13/17	500,000	4497W1G26	ING (US) FUNDING LLC COMM PAPER	0.00%	7/2/18	494,177.78	1.62%	
10/23/17	10/26/17	125,000	05531FAZ6	BRANCH BANKING & TRUST (CALLABLE) NOTES	2.15%	2/1/21	124,942.50	2.17%	
11/1/17	11/3/17	100,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	100,878.08	2.39%	
11/16/17	11/17/17	500,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	500,000.00	2.30%	
11/29/17	11/30/17	500,000	22533UEV1	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	5/29/18	495,925.00	1.64%	
12/1/17	12/1/17	500,000	09659CHU5	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	8/28/18	493,475.00	1.76%	
12/4/17	12/6/17	300,000	912828X47	US TREASURY NOTES	1.87%	4/30/22	297,442.20	2.12%	
<b>Total BUY</b>		<b>3,440,000</b>					<b>3,412,631.37</b>		
<b>INTEREST</b>									
10/1/17	10/1/17	200,000	3130A9AE1	FHLB GLOBAL NOTES	0.87%	10/1/18	875.00		
10/1/17	10/25/17	170,834	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	298.78		
10/1/17	10/25/17	75,830	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	97.95		
10/1/17	10/25/17	550,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	1,227.65		
10/2/17	10/2/17	0	MONEY0002	MONEY MARKET FUND			40.59		
10/5/17	10/5/17	500,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON LT CD	1.91%	4/5/19	4,828.06		
10/7/17	10/7/17	250,000	17305EGB5	CITIBANK ABS 2017-A3 A3	1.92%	4/7/22	2,346.67		
10/12/17	10/12/17	135,000	3137EAED7	FHLMC REFERENCE NOTES	0.87%	10/12/18	590.63		
10/15/17	10/15/17	200,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	273.33		
10/15/17	10/15/17	500,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	733.33		
10/15/17	10/15/17	125,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	180.21		

## SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
10/15/17	10/15/17	200,000	24422ETM1	JOHN DEERE CAPITAL CORP	1.65%	10/15/18	1,650.00		
10/15/17	10/15/17	115,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	162.92		
10/15/17	10/15/17	400,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	593.33		
10/15/17	10/15/17	350,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	487.08		
10/15/17	10/15/17	170,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	257.83		
10/18/17	10/18/17	100,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	94.47		
10/18/17	10/18/17	200,000	89236TDH5	TOYOTA MOTOR CORP NOTES	1.55%	10/18/19	1,550.00		
10/20/17	10/20/17	350,000	3137EAEF2	FHLMC AGENCY NOTES	1.37%	4/20/20	2,406.25		
10/30/17	10/30/17	350,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	2,975.00		
10/30/17	10/30/17	150,000	0258M0EC9	AMERICAN EXPRESS CREDIT (CALLABLE) CORP	1.70%	10/30/19	1,275.00		
10/31/17	10/31/17	585,000	912828Q78	US TREASURY NOTES	1.37%	4/30/21	4,021.88		
10/31/17	10/31/17	525,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	3,281.25		
10/31/17	10/31/17	500,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	3,125.00		
10/31/17	10/31/17	700,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	4,375.00		
11/1/17	11/1/17	0	MONEY0002	MONEY MARKET FUND			45.87		
11/1/17	11/25/17	550,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	1,227.65		
11/1/17	11/25/17	159,257	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	249.19		
11/1/17	11/25/17	72,761	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	93.98		
11/3/17	11/3/17	500,000	86563YVNO	SUMITOMO MITSUI BANK NY CD	2.05%	5/3/19	5,210.42		
11/11/17	11/11/17	225,000	037833CS7	APPLE INC BONDS	1.80%	5/11/20	2,025.00		
11/15/17	11/15/17	500,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	733.33		
11/15/17	11/15/17	400,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	593.33		
11/15/17	11/15/17	115,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	162.92		
11/15/17	11/15/17	200,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	273.33		
11/15/17	11/15/17	125,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	180.21		
11/15/17	11/15/17	350,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	487.08		
11/15/17	11/15/17	170,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	257.83		
11/18/17	11/18/17	100,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	149.17		
11/30/17	11/30/17	500,000	13606A5Z7	CANADIAN IMPERIAL BANK NY CD	1.76%	11/30/18	4,400.00		
11/30/17	11/30/17	650,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	4,468.75		

## SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
12/1/17	12/1/17	0	MONEY0002	MONEY MARKET FUND			47.80		
12/1/17	12/25/17	550,000	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	1,261.61		
12/1/17	12/25/17	65,910	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	85.13		
12/1/17	12/25/17	132,278	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	312.56		
12/5/17	12/5/17	125,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	1,125.00		
12/15/17	12/15/17	115,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	162.92		
12/15/17	12/15/17	170,000	47788BAD6	JOHN DEERE ABS 2017-B A3	1.82%	10/15/21	257.83		
12/15/17	12/15/17	200,000	02582JHG8	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	273.33		
12/15/17	12/15/17	400,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	593.33		
12/15/17	12/15/17	350,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	487.08		
12/15/17	12/15/17	330,000	717081EB5	PFIZER INC CORP NOTE	1.70%	12/15/19	2,805.00		
12/15/17	12/15/17	500,000	89190BAD0	TOYOTA ABS 2017-B A3	1.76%	7/15/21	733.33		
12/15/17	12/15/17	125,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	180.21		
12/18/17	12/18/17	100,000	43814PAC4	HAROT 2017-3 A3	1.79%	9/18/21	149.17		
<b>Total INTEREST</b>		<b>15,181,870</b>					<b>66,779.57</b>		

## MATURITY

10/13/17	10/13/17	500,000	13607EXD6	CANADIAN IMPERIAL HLDING COMM PAPER	0.00%	10/13/17	500,000.00		0.00
11/27/17	11/27/17	500,000	21687AYT4	COOPERATIEVE RABOBANK UA COMM PAPER	0.00%	11/27/17	500,000.00		0.00
12/1/17	12/1/17	550,000	09659BZ11	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	12/1/17	550,000.00		0.00
<b>Total MATURITY</b>		<b>1,550,000</b>					<b>1,550,000.00</b>		<b>0.00</b>

## PAYDOWNS

10/1/17	10/25/17	11,578	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	11,577.70		0.00
10/1/17	10/25/17	3,070	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	3,069.61		0.00
11/1/17	11/25/17	26,978	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	26,978.30		0.00

## SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
11/1/17	11/25/17	6,851	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	6,850.80		0.00
12/1/17	12/25/17	17,758	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	17,757.99		0.00
12/1/17	12/25/17	4,044	3136AJ7G5	FNA SERIES 2014-M6 A2	2.67%	5/25/21	4,043.93		0.00
12/1/17	12/25/17	3,802	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	3,802.16		0.00
<b>Total PAYDOWNS</b>		<b>74,080</b>					<b>74,080.49</b>		<b>0.00</b>
<b>SELL</b>									
10/5/17	10/10/17	165,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	164,896.56	1.59%	353.91
10/5/17	10/10/17	250,000	3137EAED7	FHLMC REFERENCE NOTES	0.87%	10/12/18	249,744.10	1.41%	(1,284.94)
10/5/17	10/10/17	200,000	3130A9AE1	FHLB GLOBAL NOTES	0.87%	10/1/18	199,023.75	1.40%	(956.31)
10/11/17	10/20/17	250,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	249,820.00	1.61%	399.50
10/23/17	10/26/17	125,000	912828VF4	US TREASURY NOTES	1.37%	5/31/20	124,791.69	1.66%	47.40
11/1/17	11/3/17	50,000	3137EAED7	FHLMC REFERENCE NOTES	0.87%	10/12/18	49,726.52	1.52%	(289.15)
11/16/17	11/17/17	500,000	65558LWA6	NORDEA BANK FINLAND NY CD	1.76%	11/30/18	504,015.00	0.92%	(165.00)
12/4/17	12/6/17	85,000	3137EAED7	FHLMC REFERENCE NOTES	0.87%	10/12/18	84,510.61	1.72%	(585.84)
12/4/17	12/6/17	100,000	3130AAXX1	FHLB NOTES	1.37%	3/18/19	99,770.92	1.79%	(378.95)
<b>Total SELL</b>		<b>1,725,000</b>					<b>1,726,299.15</b>		<b>-2,859.38</b>



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	650,000.00	AA+	Aaa	12/04/15	12/07/15	641,595.70	1.68	785.71	645,398.84	641,672.20
US TREASURY NOTES DTD 07/31/2013 2.000% 07/31/2020	912828VP2	790,000.00	AA+	Aaa	05/17/16	05/18/16	816,631.64	1.18	6,611.96	806,513.60	791,296.39
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	80,000.00	AA+	Aaa	06/28/16	06/29/16	81,462.50	0.93	373.76	80,939.33	78,831.28
US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	175,000.00	AA+	Aaa	10/03/16	10/05/16	181,323.24	1.16	1,189.23	179,570.65	174,897.45
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	585,000.00	AA+	Aaa	01/03/17	01/05/17	573,391.41	1.86	1,377.66	575,973.91	572,340.02
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	250,000.00	AA+	Aaa	04/03/17	04/05/17	251,933.59	1.82	1,698.90	251,619.67	249,179.75
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	450,000.00	AA+	Aaa	06/27/17	06/29/17	454,904.30	1.73	3,058.01	454,325.57	448,523.55
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	525,000.00	AA+	Aaa	07/06/17	07/11/17	528,178.71	1.85	3,567.68	527,827.46	523,277.48
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	500,000.00	AA+	Aaa	10/05/17	10/10/17	488,417.97	1.85	1,070.44	489,049.96	484,375.00
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	525,000.00	AA+	Aaa	08/01/17	08/03/17	514,930.66	1.72	1,123.96	515,883.77	508,593.75
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	700,000.00	AA+	Aaa	08/30/17	08/31/17	688,953.13	1.64	1,498.62	689,823.99	678,125.00
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	300,000.00	AA+	Aaa	12/04/17	12/06/17	296,882.81	2.12	963.40	296,931.95	296,414.10
<b>Security Type Sub-Total</b>		<b>5,530,000.00</b>					<b>5,518,605.66</b>	<b>1.66</b>	<b>23,319.33</b>	<b>5,513,858.70</b>	<b>5,447,525.97</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	62,107.81	AA+	Aaa	04/15/15	04/30/15	62,728.66	0.83	80.22	62,107.81	62,027.08



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	114,520.35	AA+	Aaa	10/07/15	10/30/15	115,667.15	1.08	157.08	114,925.01	114,138.93
FNA 2014-M6 A2 DTD 06/01/2014 2.679% 05/25/2021	3136AJ7G5	545,956.07	AA+	Aaa	12/12/16	12/15/16	557,003.15	1.70	1,218.62	553,883.04	550,662.48
<b>Security Type Sub-Total</b>		<b>722,584.23</b>					<b>735,398.96</b>	<b>1.53</b>	<b>1,455.92</b>	<b>730,915.86</b>	<b>726,828.49</b>
<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 03/10/2017 1.375% 03/18/2019	3130AAXX1	500,000.00	AA+	Aaa	03/09/17	03/10/17	498,840.00	1.49	1,967.01	499,299.44	497,108.00
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	750,000.00	AA+	Aaa	07/19/16	07/20/16	748,185.00	0.96	2,953.13	749,054.94	738,273.00
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	480,000.00	AA+	Aaa	07/29/16	08/02/16	479,193.60	0.93	1,738.33	479,570.89	472,307.04
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	175,000.00	AA+	Aaa	08/03/16	08/04/16	174,664.00	0.94	621.01	174,820.42	172,154.33
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	800,000.00	AA+	Aaa	08/31/16	09/02/16	798,752.00	1.05	2,733.33	799,302.73	788,199.20
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	800,000.00	AA+	Aaa	09/08/16	09/09/16	799,304.00	1.03	2,111.11	799,600.37	787,744.00
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	340,000.00	AA+	Aaa	02/24/17	02/28/17	339,782.40	1.52	1,742.50	339,842.48	336,471.82
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	350,000.00	AA+	Aaa	04/19/17	04/20/17	348,803.00	1.49	949.13	349,076.62	345,052.75
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	400,000.00	AA+	Aaa	07/28/17	08/01/17	398,788.00	1.60	2,500.00	398,953.10	395,052.00
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	85,000.00	AA+	Aaa	09/07/17	09/08/17	84,727.15	1.48	301.93	84,754.46	83,518.79



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Federal Agency Bond / Note</b>											
FHLMC NOTES DTD 09/29/2017 1.625% 09/29/2020	3137EAEJ4	165,000.00	AA+	Aaa	09/28/17	09/29/17	164,701.35	1.69	685.21	164,726.26	163,115.04
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	520,000.00	AA+	Aaa	07/14/16	07/15/16	516,837.88	1.25	2,713.75	517,742.24	502,724.04
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	140,000.00	AA+	Aaa	08/17/16	08/19/16	139,521.06	1.32	651.39	139,649.01	135,663.64
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	460,000.00	AA+	Aaa	08/17/16	08/19/16	458,137.00	1.33	2,140.28	458,634.59	445,751.96
<b>Security Type Sub-Total</b>		<b>5,965,000.00</b>					<b>5,950,236.44</b>	<b>1.22</b>	<b>23,808.11</b>	<b>5,955,027.55</b>	<b>5,863,135.61</b>

<b>Corporate Note</b>											
JOHN DEERE CAPITAL CORP DTD 01/06/2017 1.650% 10/15/2018	24422ETM1	200,000.00	A	A2	01/03/17	01/06/17	199,870.00	1.69	696.67	199,941.02	199,555.40
TOYOTA MOTOR CREDIT CORP DTD 01/09/2017 1.700% 01/09/2019	89236TDM4	300,000.00	AA-	Aa3	01/04/17	01/09/17	299,895.00	1.72	2,436.67	299,945.89	299,379.30
BERKSHIRE HATHAWAY INC GLOBAL NOTES DTD 08/14/2014 2.100% 08/14/2019	084670BL1	500,000.00	AA	Aa2	12/20/16	12/23/16	502,830.00	1.88	3,995.83	501,754.09	500,238.00
AMERICAN HONDA FINANCE GLOBAL NOTES DTD 09/09/2014 2.250% 08/15/2019	02665WAH4	500,000.00	A+	A2	12/15/16	12/20/16	502,485.00	2.06	4,250.00	501,538.94	500,747.50
TOYOTA MOTOR CORP NOTES DTD 10/18/2016 1.550% 10/18/2019	89236TDH5	200,000.00	AA-	Aa3	10/13/16	10/18/16	199,900.00	1.57	628.61	199,939.55	198,224.20
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	150,000.00	A-	A2	10/26/16	10/31/16	149,821.50	1.74	432.08	149,890.01	148,451.70
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	350,000.00	A-	A2	10/26/16	10/31/16	350,066.50	1.69	1,008.19	350,040.91	346,387.30
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	330,000.00	AA	A1	11/14/16	11/21/16	329,762.40	1.72	249.33	329,846.16	327,924.63



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>											
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	BBB+	Baa1	01/04/17	01/10/17	249,900.00	2.46	2,909.38	249,931.70	250,115.25
MICROSOFT CORP DTD 02/06/2017 1.850% 02/06/2020	594918BV5	250,000.00	AAA	Aaa	01/30/17	02/06/17	249,832.50	1.87	1,862.85	249,881.94	249,260.75
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	100,000.00	A+	A2	03/01/17	03/06/17	99,974.00	1.96	633.75	99,980.93	99,675.00
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	225,000.00	AA+	Aa1	05/04/17	05/11/17	224,770.50	1.84	562.50	224,818.36	223,094.48
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	125,000.00	A	A2	05/24/17	06/05/17	124,927.50	1.82	162.50	124,941.03	124,006.00
MORGAN STANLEY CORP NOTE DTD 07/26/2010 5.500% 07/24/2020	6174467P8	500,000.00	BBB+	A3	11/07/16	11/10/16	558,125.00	2.21	11,993.06	540,727.83	536,090.50
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	1491302A6	185,000.00	A	A3	09/05/17	09/07/17	184,844.60	1.88	1,083.79	184,860.60	182,840.31
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	AA	Aa2	10/11/17	10/20/17	249,637.50	1.95	936.81	249,660.73	248,389.75
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	125,000.00	A-	A2	10/23/17	10/26/17	124,942.50	2.17	485.24	124,944.45	123,817.50
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	A+	A1	10/05/17	10/10/17	164,967.00	2.01	742.50	164,969.14	163,123.13
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	100,000.00	A-	A3	11/01/17	11/03/17	100,776.00	2.39	525.00	100,741.32	100,510.20
GOLDMAN SACHS GROUP CORP NOTES DTD 07/27/2011 5.250% 07/27/2021	38141GGQ1	450,000.00	BBB+	A3	11/22/16	11/28/16	496,651.50	2.86	10,106.25	486,289.04	487,705.95
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	160,000.00	A-	A3	09/13/17	09/18/17	160,000.00	2.33	1,065.71	160,000.00	159,548.96
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	115,000.00	A	A2	03/10/17	03/15/17	114,492.85	2.75	1,481.42	114,574.20	115,669.65



**Managed Account Detail of Securities Held**

For the Month Ending **December 31, 2017**

**SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT**

<b>Security Type/Description</b> <b>Dated Date/Coupon/Maturity</b>	<b>CUSIP</b>	<b>Par</b>	<b>S&amp;P Rating</b>	<b>Moody's Rating</b>	<b>Trade Date</b>	<b>Settle Date</b>	<b>Original Cost</b>	<b>YTM at Cost</b>	<b>Accrued Interest</b>	<b>Amortized Cost</b>	<b>Market Value</b>
<b>Corporate Note</b>											
JPMORGAN CHASE & CO CORP NOTES DTD 01/23/2012 4.500% 01/24/2022	46625HJD3	250,000.00	A-	A3	05/23/17	05/26/17	270,455.00	2.62	4,906.25	267,976.31	267,513.00
<b>Security Type Sub-Total</b>		<b>5,780,000.00</b>					<b>5,908,926.85</b>	<b>2.07</b>	<b>53,154.39</b>	<b>5,877,194.15</b>	<b>5,852,268.46</b>
<b>Commercial Paper</b>											
BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA DTD 05/22/2017 0.000% 02/16/2018	06538CBG5	250,000.00	A-1	P-1	05/23/17	05/23/17	247,253.96	1.49	0.00	249,530.42	249,449.00
CREDIT AGRICOLE CIB NY COMM PAPER DTD 11/27/2017 0.000% 05/29/2018	22533UEV1	500,000.00	A-1	P-1	11/29/17	11/30/17	495,925.00	1.64	0.00	496,649.45	496,286.00
BANK OF MONTREAL CHICAGO COMM PAPER DTD 09/07/2017 0.000% 06/04/2018	06366HF44	550,000.00	A-1	P-1	09/07/17	09/08/17	543,943.94	1.49	0.00	546,532.96	545,766.65
ING (US) FUNDING LLC COMM PAPER DTD 10/06/2017 0.000% 07/02/2018	4497W1G26	500,000.00	A-1	P-1	10/13/17	10/13/17	494,177.78	1.62	0.00	495,955.56	495,454.50
BNP PARIBAS NY BRANCH COMM PAPER DTD 12/01/2017 0.000% 08/28/2018	09659CHU5	500,000.00	A-1	P-1	12/01/17	12/01/17	493,475.00	1.76	0.00	494,224.17	493,651.00
<b>Security Type Sub-Total</b>		<b>2,300,000.00</b>					<b>2,274,775.68</b>	<b>1.61</b>	<b>0.00</b>	<b>2,282,892.56</b>	<b>2,280,607.15</b>
<b>Certificate of Deposit</b>											
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	500,000.00	A-1	P-1	12/01/16	12/05/16	499,610.00	1.78	757.78	499,820.87	498,944.50
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	500,000.00	AA-	Aa2	01/10/17	01/12/17	500,000.00	1.91	4,593.75	500,000.00	497,789.50
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	500,000.00	A+	A1	04/05/17	04/06/17	500,000.00	1.91	2,334.44	500,000.00	498,190.00
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVNO	500,000.00	A	A1	05/03/17	05/04/17	500,000.00	2.05	1,679.86	500,000.00	499,658.00



## Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

### SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Certificate of Deposit</b>											
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	AA-	Aa3	11/16/17	11/17/17	500,000.00	2.30	1,418.75	500,000.00	497,299.00
<b>Security Type Sub-Total</b>		<b>2,500,000.00</b>					<b>2,499,610.00</b>	<b>1.99</b>	<b>10,784.58</b>	<b>2,499,820.87</b>	<b>2,491,881.00</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021	17305EGA7	450,000.00	AAA	Aaa	01/19/17	01/26/17	449,913.83	1.75	3,567.00	450,000.00	448,996.10
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	125,000.00	AAA	Aaa	03/07/17	03/15/17	124,985.29	1.74	96.11	124,985.61	124,381.19
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	115,000.00	NR	Aaa	01/24/17	01/31/17	114,989.95	1.70	86.89	114,992.17	114,464.01
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	350,000.00	NR	Aaa	01/18/17	01/25/17	349,998.71	1.67	259.78	349,999.08	347,810.12
TOYOTA ABS 2017-B A3 DTD 05/17/2017 1.760% 07/15/2021	89190BAD0	500,000.00	AAA	Aaa	05/09/17	05/17/17	499,961.65	1.76	391.11	499,961.65	496,704.25
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	400,000.00	NR	Aaa	03/21/17	03/29/17	399,952.84	1.79	316.44	399,961.39	398,532.16
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	100,000.00	AAA	NR	09/25/17	09/29/17	99,989.17	1.94	64.64	99,989.80	99,250.41
JOHN DEERE ABS 2017-B A3 DTD 07/15/2017 1.820% 10/15/2021	47788BAD6	170,000.00	NR	Aaa	07/11/17	07/18/17	169,987.56	1.82	137.51	169,988.94	168,731.44
AMERICAN EXPRESS ABS 2017-4 A DTD 05/30/2017 1.640% 12/15/2021	02582JHG8	200,000.00	AAA	NR	05/22/17	05/30/17	199,967.96	1.65	145.78	199,971.77	198,965.58
CITIBANK ABS 2017-A3 A3 DTD 04/11/2017 1.920% 04/07/2022	17305EGB5	250,000.00	AAA	NR	05/15/17	05/22/17	250,667.50	1.82	1,120.00	250,608.26	248,440.48
<b>Security Type Sub-Total</b>		<b>2,660,000.00</b>					<b>2,660,414.46</b>	<b>1.75</b>	<b>6,185.26</b>	<b>2,660,458.67</b>	<b>2,646,275.74</b>
<b>Managed Account Sub-Total</b>		<b>25,457,584.23</b>					<b>25,547,968.05</b>	<b>1.69</b>	<b>118,707.59</b>	<b>25,520,168.36</b>	<b>25,308,522.42</b>



### Managed Account Detail of Securities Held

For the Month Ending **December 31, 2017**

#### SAN MATEO COUNTY TRANSIT DISTRICT - PARATRANSIT

<b>Securities Sub-Total</b>	<b>\$25,457,584.23</b>	<b>\$25,547,968.05</b>	<b>1.69%</b>	<b>\$118,707.59</b>	<b>\$25,520,168.36</b>	<b>\$25,308,522.42</b>
<b>Accrued Interest</b>						<b>\$118,707.59</b>
<b>Total Investments</b>						<b>\$25,427,230.01</b>

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**IMPORTANT DISCLOSURES**

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

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**GLOSSARY**

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

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**GLOSSARY**

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: April Chan  
Chief Officer, Planning, Grants,  
and Transportation Authority

Derek Hansel  
Chief Financial Officer

SUBJECT: **EXECUTION OF GRANT AGREEMENT WITH THE SILICON VALLEY  
COMMUNITY FOUNDATION FOR THE SAMTRANS US-101 EXPRESS BUS  
FEASIBILITY STUDY AND AMEND THE SAMTRANS FY18 CAPITAL BUDGET BY  
\$50,000 FOR A TOTAL OF \$17,283,081**

**ACTION**

Staff proposes the Committee recommend Board approval of the following:

1. Authorize the General Manager/CEO, or his designee, to enter into a grant agreement with the Silicon Valley Community Foundation (SVCF) in the amount of \$50,000 for the SamTrans US-101 Express Bus Feasibility Study (Project);
2. Amend the Fiscal Year (FY) 2018 capital budget by \$50,000 from \$17,233,081 to \$17,283,081 to include the additional revenue and expenses for the Project.
3. Take such further actions as may be necessary to give effect to the resolution.

**SIGNIFICANCE**

The Project is examining the financial and operational feasibility of implementing a network of long-distance express buses operating on the US-101 corridor through San Mateo County. To help fund this effort, the SVCF previously provided a \$150,000 grant to explore additional express bus routes between San Mateo, San Francisco, and Santa Clara Counties. SVCF has offered to provide an additional \$50,000 for implementation planning including funding strategies, and additional public outreach to engage an array of stakeholders in the Study's progress. The Study will culminate in a final report, which will recommend an approach to implementing express bus service along the US-101 corridor. The Project is anticipated to be complete by fall of 2018.

**BUDGET IMPACT**

This Board action will amend the FY2018 Capital Budget by \$50,000 from \$17,233,081 to \$17,283,08 (as shown in Attachment A) to include the additional revenue and project

expenses. Prior to this grant being offered by the SVCF, the total cost of the Project was \$634,000, and was included in the Fiscal Year 2017 Capital Budget. This amount included the prior grant from SVCF in the amount of \$150,000, a \$180,000 grant from Caltrans and \$304,000 in District funds. The District's cost for the Project will remain at \$304,000.

**BACKGROUND**

The SVCF provides funding through its Building Strong Communities Grant Program for projects that help shape land use and transportation plans and encourages residents to get involved in the design of their communities.

As the regional economy continues to thrive, traffic congestion on US-101, particularly during weekday commute periods, has intensified. Throughout San Mateo County, people who travel in single occupancy vehicles, carpools, buses, and shuttles grapple with long and unpredictable travel times. This study will examine the feasibility of implementing express bus service, potentially integrated with and operating in a managed lane, to improve operational performance and attractiveness of public transit along the US-101 corridor. Staff will be coordinating the feasibility study efforts with San Francisco, San Mateo, and Santa Clara county stakeholders.

**STRATEGIC INITIATIVE**

- Priority 1: Expand Mobility Options
- Goal 1: Increase weekday fixed-route ridership by 15 percent
  
- Priority 2: Strengthen Fiscal Health
- Goal 3: Implement existing and new best practices

Prepared By: Peter Skinner, Manager, Grants and Fund Programming 650-622-7818

# San Mateo County Transit District Fiscal Year 2018 Capital Budget - Amendment 2

ATTACHMENT A

PROJECT TITLE	PROJECT DESCRIPTION	Current Total Estimated Project Cost	Previously Budgeted	FY2018 Budget Request	Remaining	Funding Sources				notes	
						Federal	State	Other	District Sales Tax		
<b>i. REVENUE VEHICLE SUPPORT</b>											
1.1	Purchase of 10 Electric Buses and Installation of 10 Charging Stations	Purchase of 10 electric buses and installation of 10 charging stations	\$ 10,926,668	\$ 7,250,000	\$ 3,676,668	\$ -	\$ 2,528,880	\$ 1,147,788	\$ -	\$ -	(1)
1.2	50 Flip Seats and Modesty Panels	The purchase of 50 American Seating Single Flip Seats and 50 Modesty Panels to retrofit District's 25 Hybrid buses to support District's safety initiative	\$ 144,613	\$ -	\$ 144,613	\$ -	\$ -	\$ -	\$ -	\$ 144,613	
1.3	Major Bus Components	Purchases of major bus components	\$ 4,841,436	\$ 3,341,436	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	
<b>Subtotal</b>				<b>\$ 5,321,281</b>							
<b>ii. INFORMATION TECHNOLOGY</b>											
2.1	Tech Refresh Project	Technology refreshment with periodic replacement of District system's servers and storage, copiers/printers, network equipment to avoid obsolescence of existing technology	\$ 2,377,800	\$ -	\$ 2,377,800	\$ -	\$ -	\$ -	\$ -	\$ 2,377,800	
2.2	EPM Replacement	PeopleSoft EPM 9.1 extended support ends 12/31/17, no longer providing product updates. Full budget support is necessary and therefore, the procurement and implementation of a replacement for EPM is required.	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	
<b>Subtotal</b>				<b>\$ 2,877,800</b>							

## San Mateo County Transit District Fiscal Year 2018 Capital Budget - Amendment 2

ATTACHMENT A

PROJECT TITLE	PROJECT DESCRIPTION	Current Total Estimated Project Cost	Previously Budgeted	FY2018 Budget Request	Remaining	Funding Sources				notes	
						Federal	State	Other	District Sales Tax		
<b>iii. PLANNING / DEVELOPMENT</b>											
3.1	Ridership Reporting and Analytics Software	Purchase of software capable of storing, cleaning, and analyzing the vast amount of APC/AVL data recorded on District buses	\$ 222,000	\$ -	\$ 222,000	\$ -	\$ -	\$ -	\$ -	\$ 222,000	
3.2	SamTrans Strategic Business Plan	A comprehensive strategy to define a business plan that averts financial failure, reinvents the District vision for delivering public transit, and tackling District internal and external organizational challenges	\$ 1,138,000	\$ 358,000	\$ 780,000	\$ -	\$ -	\$ -	\$ -	\$ 780,000	
3.3	Capital Program and Project Development	Capitalized funds for annual program development including but not limited to plans, budgets, programs, funding strategies, and preliminary engineering	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
3.4	Capital Program Management	Capitalized funds for programs and project controls support, including monitoring project performance and delivery	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
3.5	Express Bus Feasibility Study	A planning analysis of alternatives to developing Express Bus service to improve mobility on the US-101 and associated transportation network influenced by US-101	\$ 684,000	\$ 634,000	\$ 50,000			\$ 50,000			(5)
<b>Subtotal</b>				\$ 1,552,000							
<b>iv. FACILITIES / CONSTRUCTION</b>											

# San Mateo County Transit District

## Fiscal Year 2018 Capital Budget - Amendment 2

ATTACHMENT A

PROJECT TITLE	PROJECT DESCRIPTION	Current Total Estimated Project Cost	Previously Budgeted	FY2018 Budget Request	Remaining	Funding Sources				notes
						Federal	State	Other	District Sales Tax	
4.1 Traffic Signal Priority	Implementation of Traffic Signal Priority (TSP) technology for SamTrans buses traveling on El Camino Real in San Mateo County (State Highway 82).	\$ 3,907,000	\$ -	\$ 3,907,000	\$ -	\$ 3,459,000	\$ 369,000	\$ 79,000	\$ -	(2)
4.2 Facilities Smaller Projects	Projects to maintain continuity of services and sustainability of a pleasant work environment, inclusive of routine maintenance or replacement.	\$ 547,000	\$ 282,000	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ 265,000	
4.3 Time Clock Replacement	Replacement of current time clock systems	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	
4.4 Transit Asset Mgmt Plan	Implementation of new Federal mandated requirement for conditioned based assessments for a broad range of assets	\$ 975,000	\$ -	\$ 975,000	\$ -	\$ -	\$ -	\$ -	\$ 975,000	(3)
4.5 Roof Replacement	Repair of Central building roof	\$ 475,000	\$ -	\$ 475,000	\$ -	\$ -	\$ -	\$ -	\$ 475,000	
4.6 Linda Mar Park-n-Ride Repaving	Linda Mar Park-n-Ride Lot Repaving	\$ 700,000	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000	
4.7 San Carlos Transit Center	Enhance the existing San Carlos Station by Improving safer and connections between SamTrans fixed route bus service, Caltrain commuter rail, Local shuttles and pedestrians and bicyclists	\$ 7,090,214	\$ 6,230,214	\$ 860,000	\$ -	\$ -	\$ 860,000	\$ -		(4)
<b>Subtotal</b>				<b>\$ 7,282,000</b>						
<b>v. Other</b>										
6.1 Contingency	Annual set-aside for unforeseen and emergency capital expenditures	\$ 250,000	\$ -	\$ 250,000	\$ -				\$ 250,000	
<b>Subtotal</b>				<b>\$ 250,000</b>						

## San Mateo County Transit District Fiscal Year 2018 Capital Budget - Amendment 2

ATTACHMENT A

PROJECT TITLE	PROJECT DESCRIPTION	Current Total Estimated Project Cost	Previously Budgeted	FY2018 Budget Request	Remaining	Funding Sources				notes
						Federal	State	Other	District Sales Tax	
<b>GRAND TOTAL</b>		\$ 27,604,517	\$ 11,231,436	<b>\$ 17,283,081</b>		\$ 5,987,880	\$ 2,376,788	\$ 79,000	\$ 8,789,413	

**NOTES:**

- (1) State funds include \$568,328 of SB1 Funding
- (2) FTA TPI Grant, State Funds include \$369,000 of SB1 Funding; Other Funding from TFCA Program Management in the amount of \$79,000
- (3) Project Request for \$1 million (\$25,000 funding from prior year savings)
- (4) Additional funding for San Carlos Transit Center includes increased Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Program (PTMISEA).
- (5) [Additional funding for Express Bus Feasibility Study from Silicon Valley Community Foundation.](#)

RESOLUTION NO. 2018 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT  
STATE OF CALIFORNIA

\* \* \*

**EXECUTION OF A GRANT AGREEMENT WITH THE SILICON VALLEY  
COMMUNITY FOUNDATION FOR THE U.S. 101 EXPRESS BUS FEASIBILITY STUDY AND AMEND  
THE SAMTRANS FY18 CAPITAL BUDGET BY \$50,000 FOR A TOTAL OF \$17,283,081**

**WHEREAS**, the Silicon Valley Community Foundation (SVCF) through its Building Strong Communities Grant Program awards funding for projects that help shape land use and transportation plans and encourage residents to get involved in the design of their communities; and

**WHEREAS**, the San Mateo County Transit District (District) is eligible to receive Building Strong Communities Grant Program funds; and

**WHEREAS**, the District entered into a grant agreement with SVCF who provided a grant for \$150,000 to help fund the District's U.S. 101 Express Bus Feasibility Study (Project) (Resolution No. 2016-57); and

**WHEREAS**, the SVCF has offered to provide an additional \$50,000 grant for the Project; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes the General Manager/CEO to:

1. Execute a grant agreement with the Silicon Valley Community Foundation (SVCF) in the amount of \$50,000 for the U.S. 101 Express Bus Feasibility Study; and
2. Amend the Fiscal Year 2018 by \$50,000 from \$17,233,081 to \$17,283,081 to include the additional revenue and expenses for the Project; and
3. Take such further actions as may be necessary to give effect to the resolution.

Regularly passed and adopted this 7<sup>th</sup> day of February, 2018 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transit District

ATTEST:

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District Secretary

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **AWARD OF CONTRACT FOR LED INSTALLATION PROJECT**

**ACTION**

Staff proposes that the Committee recommend that the Board:

1. Award a contract to the lowest responsive and responsible bidder, Vanden Bos Electric, Inc. (Vanden Bos) of Roseville, California, in the total amount of \$393,000 for the LED Installation Project (Project).
2. Authorize the General Manager/CEO, or his designee, to execute a contract in full conformity with the terms and conditions of the contract documents and in a form approved by legal counsel.

**SIGNIFICANCE**

Award of this contract will provide the District with a qualified and experienced contractor to remove older technology lighting fixtures and install District-furnished Light Emitting Diode (LED) fixtures at North Base, South Base and the Central Office auditorium. Annual Operating and Maintenance savings from all locations is anticipated to be \$137,000 per year.

**BUDGET IMPACT**

A project for Lighting Upgrade at North Base, South Base and the Central Office auditorium was approved in the Fiscal Year (FY) 2016 and FY 2017 Capital Budgets in the combined amount of \$1,428,000. It is funded by San Mateo County Transit District (District) Sales Tax.

**BACKGROUND**

Since 2011, the District has worked in cooperation with the City/County Association of Governments of San Mateo County, the California Public Utilities Commission, and Pacific Gas & Electric (PG&E) to convert existing High-intensity Discharge (HID) and fluorescent light fixtures to LED lighting systems. LED lights are approximately 80 percent more energy-efficient and have a longer useful life, almost twice as long as the existing mixed lighting at the Bases. Lighting in the Central Office auditorium relies on HID lamps that are no longer available due to State-mandated energy-efficiency requirements.

At its meeting on April 5, 2017, the Board of Directors (Board) authorized District staff to purchase LED lighting fixtures through an existing cooperative agreement from the California Department of General Services. As a result, the District purchased the LED fixtures at highly competitive prices. Upon Board approval of the installation work, the District will complete the Project in compliance with State and PG&E guidelines. The work is anticipated to be completed within 120 days of issuance of the Notice to Proceed.

The District will apply for a rebate for this Project from PG&E. While details of the 2018 PG&E rebate program have not yet been announced, it is anticipated that the District will receive approximately 10 percent of the installation costs as a rebate.

Invitations for Bids for the Project were advertised in a newspaper of general circulation and on the District’s procurement website, which includes Small Business Enterprises (SBE) and Disadvantaged Business Enterprises (DBE) registered in the District’s vendor database. Approximately 35 potential vendors were notified of the bid’s issuance and the pre-bid meeting and site walk was attended by five contractors.

One bid was received as listed below:

Company Name	Total Bid Amount
<i>Engineer’s Estimate</i>	\$361,179
Vanden Bos Electric, Inc., Roseville, CA	\$393,000

Vanden Bos submitted all required bid documentation. Staff has determined, and legal counsel concurred, that the bid submitted by Vanden Bos is responsive. At staff’s request, Vanden Bos provided supporting bid documents to allow staff to analyze the nine percent difference between the District’s estimate and the sole bid received. Staff noticed that Vanden Bos included several reasonable installation activities in its bid that the District’s estimate did not consider. These activities supported the number of hours that Vanden Bos included in its bid, which was one of the larger discrepancies. Other areas, such as the billing rate per hour for installers and profit, bond, and insurance costs, were reviewed and compared. As a result of this analysis, staff determined that Vanden Bos’ bid is fair and reasonable.

Staff polled contractors that attended the pre-bid meeting but who did not submit bids. One firm responded that the timeline for the performance of the work did not fit into their availability. Two firms indicated that they were too busy to submit a bid.

The Office of Small and Disadvantaged Business Enterprises assigned an eight percent SBE goal to this Project. The DBE Officer reviewed the bid and determined the bidder did not claim the Small Business Enterprise (SBE) preference as the bidder will not be utilizing any subcontractors; therefore no preference was given.

Vanden Bos is an established Bay Area contractor and company reference checks confirmed their experience and competency. Vanden Bos has successfully completed electrical projects for other local agencies and recently completed a fire alarm upgrade project for the District. Based upon these findings, staff concludes that Vanden Bos is appropriately qualified and capable of meeting the requirements of the contract and is therefore the lowest, responsive and responsible bidder.

**STRATEGIC INITIATIVE**

- Priority 2: Strengthen Fiscal Health  
    Goal 3: Implement existing and new best practices
  
- Priority 3: Become a More Effective Organization  
    Goal 1: Improve organizational performance

Sr. Contract Officer: Patrick May  
Project Manager: Jeff Thomas

650-508-7732  
650-508-6309

RESOLUTION NO. 2018 -

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT  
STATE OF CALIFORNIA

\* \* \*

**AWARDING A CONTRACT TO VANDEN BOS ELECTRIC, INC. FOR THE  
LED INSTALLATION PROJECT FOR A TOTAL AMOUNT OF \$393,000**

**WHEREAS**, the San Mateo County Transit District (District) has solicited competitive bids for the LED Replacement Project located at the District's North and South Base facilities and the Central Office auditorium; and

**WHEREAS**, staff and Legal Counsel have reviewed the sole bid received and determined that Vanden Bos Electric, Inc. of Roseville, California (Vanden Bos) submitted the lowest, responsive and responsible bid; and

**WHEREAS**, staff has conducted a cost analysis of the bid and determined that the bid is reasonable; and

**WHEREAS**, the General Manager/CEO recommends, and the Finance Committee concurs, that a contract for \$393,000 be awarded to Vanden Bos, whose bid meets the requirements of the solicitation documents.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transit District awards a contract to Vanden Bos Electric, Inc. of Roseville, California for the LED Installation Project for a total amount of \$393,000; and

**BE IT FURTHER RESOLVED** that the General Manager/CEO or designee is authorized to execute a contract on behalf of the District with Vanden Bos in full conformity with the terms and conditions of the solicitation documents and in a form approved by legal counsel.

Regularly passed and adopted this 7<sup>th</sup> day of February, 2018, by the following

vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transit District

ATTEST:

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District Secretary

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **AWARD OF CONTRACT FOR THE PURCHASE AND DELIVERY OF 55 HEAVY-DUTY DIESEL ARTICULATED BUSES**

**ACTION**

Staff proposes the Committee recommend the Board:

1. Award a contract to New Flyer of America, Inc. (New Flyer) of Winnipeg, Manitoba, Canada for 55 new heavy-duty, low-floor, 60-foot diesel articulated buses, for a total estimated amount of \$48,972,000.
2. Authorize the General Manager/CEO, or his designee, to execute a cooperative purchasing contract with the terms and conditions substantially similar to those of the Washington State Department of Enterprise Services Master Contracts and Consulting Unit's (DES) competitively bid contract and in a form approved by legal counsel.

**SIGNIFICANCE**

Award of the contract will allow the San Mateo County Transit District (District) to replace fifty-five 2002 diesel articulated buses manufactured by North American Bus Industries. This fleet has been in revenue service for over 15 years and has exceeded its useful life. The programmed replacement will ensure reliable service for passengers and will meet the replacement schedules set forth by the Federal Transit Administration (FTA) and the Metropolitan Transportation Commission.

**BUDGET IMPACT**

Funding for the purchase was approved in the District's Fiscal Year (FY) 2015 Capital Budget (approved through Resolution 2014-28, dated June 4, 2014) in the amount of \$24,096,385 and in the FY 2016 Capital Budget (approved through Resolution 2015-32, dated June 3, 2015) in the amount of \$24,875,615, for a total approved Capital project budget of \$48,972,000. The purchase is fully funded with FTA funds in the amount of \$44,875,615 and State funding for the remaining balance.

**BACKGROUND**

On December 4, 2015, President Obama signed the Fixing America's Surface

Transportation (FAST) Act into law, which provides long-term funding certainty for surface transportation infrastructure planning and investment. Section 3019 of the FAST Act allows grantees to purchase rolling stock and related equipment from a state's cooperative procurement contract or schedule.

On July 24, 2015, DES entered into a contract with New Flyer pursuant to Solicitation 09214, a competitively bid solicitation, for the furnishing of heavy-duty, low-floor, 60-foot diesel articulated buses. The DES cooperative contract provides public agencies with the ability to purchase transit buses of various configurations from approved vendors that have been selected through a competitive sealed bid process. DES has granted authorization to the District to use this contract, thereby enabling the purchase of vehicles that meet proven design and construction standards which will be configured to the District's specifications, at highly competitive prices.

The District does not have the funds to replace 60-foot (ft) diesel buses with alternate technology such as hybrid, fuel cell, or battery all-electric buses. The price difference between a diesel bus and a battery electric bus (BEB) is approximately \$275,000 per bus. The incremental cost would add over \$15 million to the current 55 bus replacement project. The technical design specifications did not consider a zero emission bus because there was no viable or commercially available 60-ft zero emission bus. Until recently, there was only one bus manufacturer that provided a 60-ft BEB. The District tested the 60-ft BEB that was available in 2015 and deemed it did not have sufficient range to operate on SamTrans Route ECR, where the majority of the District's articulated buses are used. Moreover, the infrastructure requirements for BEBs are more complex and costly. It will require several years for engineering and construction to modify both North and South Base to accommodate a zero emission fleet. BEBs are more commercially available at smaller sizes, and the District is currently exploring opportunities to replace some of its smaller diesel buses with BEBs.

As the District has reduced the total number of seats in the fleet by changing bus models (low-floor versus high-floor) and bus type (29-ft versus 40-ft and 35-ft), the purchase of 55 articulated buses is essential for large capacity routes such as Route ECR and future express services. The new buses will provide better fuel efficiency and improved emissions (new diesel buses produce 93% less NOx than the older bus, and anticipates obtaining 10-13% improved fuel efficiency). The new three-door low-floor design will expedite loading and alighting; consequently, on-time performance can be improved by reducing dwell time. Other amenities include Wi-Fi capability, USB charging, upgraded camera system, and disc brakes.

## **STRATEGIC INITIATIVE**

Priority 2 – Strengthen Fiscal Health

- Goal 3 – Implement existing and new best practices
  - Action 2-13: Invest in improvements to our facilities and fleets that conserve natural resources, reducing waste, and controlling costs.

Contract Officer: Mario Giacobbe

650-622-8077

Project Manager: David Harbour, Deputy Director, Bus Maintenance

650-508-7954

RESOLUTION NO. 2018 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT  
STATE OF CALIFORNIA

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**AWARDING A CONTRACT TO NEW FLYER OF AMERICA, INC. FOR THE PURCHASE AND  
DELIVERY OF 55 HEAVY-DUTY DIESEL ARTICULATED BUSES  
FOR A TOTAL ESTIMATED AMOUNT OF \$48,972,000**

**WHEREAS**, the San Mateo County Transit District (District) provides public transportation services to San Mateo County residents; and

**WHEREAS**, staff has identified fifty-five 2002 diesel articulated buses (2002 Buses) that have reached the end of their useful lives and are due for replacement in accordance with replacement schedules established by the Federal Transit Administration and Metropolitan Transportation Commission; and

**WHEREAS**, staff proposes to replace the 2002 Buses by acquiring 55 new heavy-duty, low-floor, 60-foot diesel articulated buses (New Buses); and

**WHEREAS**, on July 24, 2015, the Washington State Department of Enterprise Services Master Contracts and Consulting Unit (DES) entered into a contract with New Flyer of America, Inc. (New Flyer) of Winnipeg, Manitoba, Canada pursuant to Solicitation 09214, a competitively bid solicitation, for the furnishing of heavy-duty, low-floor, 60-foot diesel articulated buses; and

**WHEREAS**, pursuant to Section 3019 of the Fixing America's Surface Transportation (FAST) Act, the District is permitted to procure vehicles and related equipment through the DES contract, which makes available to public agencies numerous transit buses from approved vendors; and

**WHEREAS**, a combination of Federal funds and State funding sufficient for the purchase of the New Buses was budgeted in prior years' approved District capital budgets; and

**WHEREAS**, the General Manager/CEO recommends and the Committee concurs, that a contract be awarded to New Flyer for a total estimated amount of \$48,972,000, including applicable charges for taxes, fees, and delivery.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transit District awards a contract to New Flyer of America, Inc. through the Washington State Department of Enterprise Services Master Contracts and Consulting Unit's contract for the purchase and delivery of 55 heavy-duty low-floor 60-foot diesel buses for a total estimated amount of \$48,972,000; and

**BE IT FURTHER RESOLVED** that the Board authorizes the General Manager/CEO, or his designee, to execute a cooperative purchasing contract on behalf of the District with New Flyer with terms and conditions substantially similar to those of the DES competitively bid contract and in a form approved by legal counsel.

Regularly passed and adopted this 7<sup>th</sup> day of February, 2018 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transit District

ATTEST:

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District Secretary

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Carter Mau  
Deputy General Manager

SUBJECT: **APPROVAL AND AMENDMENT OF COUNTY LAW ENFORCEMENT AND  
COMMUNICATION SERVICES AGREEMENTS**

**ACTION**

Staff proposes the Committee recommend the Board:

1. Authorize the General Manager/CEO, or his designee, to amend the Law Enforcement Services Agreement between the San Mateo County Transit District (District), the Peninsula Corridor Joint Powers Board (JPB) and the County of San Mateo (County) for law enforcement services, extending the term through June 30, 2019, and making adjustments to the scope of services and payment provisions, for an estimated amount of \$5,449,124 through June 30, 2019, with the understanding that the District's proportional share for the costs of services is estimated at \$1,198,807 and the balance of the costs will be paid by the JPB;
2. Authorize the General Manager/CEO, or his designee, to execute a Communication Services Agreement between the District, the JPB and the County for police communications services for an estimated amount of \$417,415 through June 30, 2020, with the understanding that the District's proportional share for the costs of services is estimated at \$91,831 and the balance of the costs will be paid by the JPB;
3. Authorize the General Manager/CEO, or his designee, to take such further actions as may be required.

**SIGNIFICANCE**

Board of Directors approval is sought to amend the existing Law Enforcement Services Agreement with the San Mateo County Sheriff's Office. The amendment will unbundle costs for the County 911 Communication Center call dispatch services, which are handled by San Mateo County, not the Sheriff's office.

The Law Enforcement Services Agreement was awarded in August, 2015 for a three-year base term, with two one-year options. In addition to amending the Law Enforcement Services Agreement to unbundle the dispatch services, staff recommends exercising the first of the one-year option terms to provide services for Fiscal Year (FY) 2019, at an estimated cost of \$1,198,807 with an annual cost increase cap of 3 percent.

If it is determined to be in the District's best interests, Staff will return to the Board at a later date to recommend the exercise of the final option year of the Law Enforcement Services Agreement.

To unbundle the County 911 services, staff also has negotiated a Communication Services Agreement that will run concurrently with the Law Enforcement Services Agreement through FY2019, at an estimated cost of \$91,831 for FY2019 and FY2020. The Communication Services Agreement will have a 3 percent annual cost increase cap.

### **BUDGET IMPACT**

The original Law Enforcement Services Agreement combined services of both the Sheriff's Department and the County 911 Communications Center for a three-year base term with a total contract capacity of \$15,333,925. The cost of these services for FY2019 is \$5,449,124, which is shared between the District and the JPB. The District's share of this FY2019 cost is \$1,198,807.

The cost associated with the Communication Services Agreement, inclusive of the 3 percent annual cost increase, is \$91,831 through June 30, 2020.

### **BACKGROUND**

In 2004, the District, on its behalf and on behalf of the JPB, entered into an agreement with the County for the provision of law enforcement services and related communications services for both bus operations and rail operations, with the JPB and District providing proportionate funding for the services provided to each respective agency. In 2015, for a variety of reasons, including efficiency of operations, comprehensiveness of services and ease in administration of the agreement, the Law Enforcement Services Agreement between the District and the County was changed to include the JPB as a separate party. The agreement was authorized by the Boards of Directors of both the District and the JPB, and costs of services were separated out with the JPB paying 78 percent of the total costs and the District paying 22 percent.

The JPB's cost-share is higher than the District's because of the highly specialized nature of the rail response services, requiring significantly more of the County's law enforcement services than the bus operations, as well as the broader geographical area the County covers for Caltrain.

Under the Law Enforcement Services Agreement, the County coordinates all requests for police service, collision investigations, police reports and similar functions. Benefits to the District include explosive-detecting K 9 units, crime scene investigation and criminal forensics, coroner's services, and backup personnel as required.

The Law Enforcement Services Agreement's three-year base term, from August 2015-August 2018, originally included communication services. However, 911 call centers are now handled by the County, thus those services will now be provided pursuant to the new Communication Services Agreement.

The amended Law Enforcement Services Agreement and new Communication Services Agreement are the result of negotiations between Staff, the County of San Mateo Communications Center and the San Mateo County Sheriff.

Prepared By: W. P. Grizard

650-622-7856

RESOLUTION NO. 2018 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT  
STATE OF CALIFORNIA

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**AUTHORIZING AMENDMENT OF AN AGREEMENT WITH THE COUNTY OF SAN MATEO FOR  
LAW ENFORCEMENT SERVICES AND EXECUTION OF AN AGREEMENT WITH THE COUNTY OF  
SAN MATEO FOR RELATED COMMUNICATIONS SERVICES  
FOR AN AGGREGATE ESTIMATED AMOUNT OF \$1,290,638**

**WHEREAS**, in 2004, the San Mateo County Transit District (District), on its behalf and on behalf of the Peninsula Corridor Joint Powers Board (JPB)(collectively "Agencies"), entered into an agreement with the County of San Mateo (County) for the provision of law enforcement services and related communications services for both bus operations and rail operations, with the District and JPB providing proportionate funding for the services provided to its respective agency; and

**WHEREAS**, in 2015, for a variety of reasons, including efficiency of operations, comprehensiveness of services and ease in administration of the agreement, a single contract (Law Enforcement Services Agreement) between the District, the County and the JPB was authorized by the District's and JPB's respective Boards of Directors, with the District paying 22 percent of the total costs and the JPB paying 78 percent, for services provided; and

**WHEREAS**, the base term of the Law Enforcement Services Agreement is set to expire on May 31, 2018, and the Agencies have the option to extend the contract term for two additional one-year periods; and

**WHEREAS**, the Agencies desire that the County continue to provide these essential services; and

**WHEREAS**, the Law Enforcement Services Agreement currently includes the provision of public safety dispatch services, however, because those services are provided by the County and not the office of the Sheriff, the Parties have agreed to remove the public safety dispatch services scope of work from the Law Enforcement Services Agreement and execute a separate agreement with the County for such public safety dispatch services (Communication Services Agreement); and

**WHEREAS**, the Communication Services Agreement will terminate at the same time as the Law Enforcement Services Agreement, should the second option term of the Law Enforcement Services Agreement be exercised by the Agencies (through June 30, 2020); and

**WHEREAS**, the General Manager/CEO recommends and the Committee concurs that the Board authorize amendment of the Law Enforcement Services Agreement, exercising the first one-year option term to extend the Agreement through June 30, 2019, and making adjustments to the scope of services and payment provisions, with costs to be based on actual costs to the County to provide the services, in an estimated amount \$5,449,124 through June 30, 2019, with the understanding that the District's proportional share for the costs of services during the extension term is estimated at \$1,198,807, with the balance of the costs to be paid by the JPB; and

**WHEREAS**, the General Manager/CEO also recommends and the Committee concurs that the Board authorize execution of the Communication Services Agreement, with costs to be based on actual costs to the County to provide the services, in an estimated amount of \$417,415 through June 30, 2020, with the understanding that the District's proportional share for the costs of services during the

contract term is estimated at \$91,831, with the balance of the costs to be paid by the JPB.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transit District hereby:

1. Authorizes the General Manager/CEO, or his designee, to amend the Law Enforcement Services Agreement between the San Mateo County Transit District, the Peninsula Corridor Joint Powers Board and the County of San Mateo for law enforcement services, extending the term through June 30, 2019, and making adjustments to the scope of services and payment provisions, for an estimated amount of \$5,449,124 through June 30, 2019, with the understanding that the District's proportional share for the costs of services is estimated at \$1,198,807 and the balance of the costs will be paid by the JPB;

2. Authorizes the General Manager/CEO, or his designee, to execute a Communication Services Agreement between the District, the JPB and the County for police communications services for an estimated amount of \$417,415 through June 30, 2020, with the understanding that the District's proportional share for the costs of services is estimated at \$91,831 and the balance of the costs will be paid by the JPB; and

3. Authorizes the General Manager/CEO or his designee to take such further actions as may be required to give effect to this Resolution.

Regularly passed and adopted this 7<sup>th</sup> day of February, 2018 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transit District

ATTEST:

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District Secretary

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

David Olmeda  
Chief Operating Officer, Bus

SUBJECT: **DECLARE AN EMERGENCY FOR THE REPLACEMENT OF A RUPTURED FUEL LINE  
AT NORTH BASE AND RATIFY AN EMERGENCY PURCHASE ORDER**

**ACTION**

Staff proposes the Board:

1. Declare an emergency exists with regard to the condition of a diesel fuel system fuel line at North Base;
2. Find the emergency does not permit a delay resulting from a formal solicitation for bids, and action is necessary to respond to the emergency;
3. Ratify the General Manager/CEO's issuance of an emergency purchase order in the amount of \$24,865 to Technology, Engineering & Construction, Inc. dba TEC/Accutite (TEC) of South San Francisco, California for work related to the replacement of the ruptured line for Tanks 1 & 2 at North Base; and
4. Authorize the General Manager/CEO, or his designee, to take all other discretionary actions required to respond to said emergency, provided that the General Manager/CEO reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved.

**BUDGET IMPACT**

Funding for this emergency procurement will come from the Facilities Smaller Projects line item in the Fiscal Year 2018 Capital Budget approved through Resolution 2017-35, dated June 7, 2017. The work will be funded by District sales tax revenues.

**SIGNIFICANCE**

On January 12th, 2018, the North Base Underground Storage Tanks (USTs) were inspected by the San Mateo County Environmental Health Department. These inspections are performed bi-annually to ensure that the USTs are in compliance with State and County regulations. During this inspection, a leak was discovered on the fuel line from Tanks 1 & 2. District staff and TEC staff were on scene (participating in the inspections) at the time the rupture was discovered. They proactively stopped the system from leaking further and assessed the situation.

The loss of the fuel tanks constitute an emergency as, without the availability of fuel, the fueling operation at North Base is in jeopardy should there be a failure on Tanks 3 & 4. If that were to occur, buses could not be fueled, which would lead to a significant cost and disruption in delivery of services.

The repairs must be completed within 30 days to avoid severe financial penalties and potential negative environmental impacts.

**BACKGROUND**

TEC recommended replacement of the fuel pipe for Tanks 1 & 2 and provided a detailed proposal, which staff evaluated for the adequacy of the proposed scope of remediation work and cost reasonableness compared to available pricing for similar services. Staff found the level of effort required for the scope of work to be appropriate and the cost to be fair and reasonable based upon labor rates that are comparable to current contract labor rates.

TEC currently has a contract with the District to provide UST inspection and maintenance services and has previously provided other services, including emergency repairs to underground piping, engineering support services and in-plant quality assurance inspections. The firm possesses the depth of experience and necessary qualifications to successfully perform the proposed scope of work. Staff considers TEC to be a responsible, experienced vendor and is confident in TEC 's ability to complete this work successfully. TEC is a registered public works contractor with the State of California Department of Industrial Relations.

Sr. Contract Officer:	Patrick May	650-508-7732
Project Manager:	John Seybert, Superintendent, Facilities	650-622-7813

RESOLUTION NO. 2018 -

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT  
STATE OF CALIFORNIA

\* \* \*

**DECLARING AN EMERGENCY FOR THE REPLACEMENT OF A RUPTURED FUEL LINE AT NORTH  
BASE AND RATIFYING AN EMERGENCY PURCHASE ORDER TO TECHNOLOGY,  
ENGINEERING & CONSTRUCTION, INC. DBA TEC/ACCUTITE IN THE AMOUNT OF \$24,865**

**WHEREAS**, the San Mateo County Transit District (District) North Base Facility had a bi-annual inspection on January 12, 2018, by San Mateo County Environmental Health Department staff and a defect was noted which needed immediate attention; and

**WHEREAS**, Technology, Engineering & Construction, Inc. dba TEC/Accutite (TEC), the District's underground storage tank maintenance contractor, investigated the defect and made recommendations for the repairs; and

**WHEREAS**, repairs must be initiated and/or completed within 30 days to avoid severe financial penalties and potential negative environmental impacts; and

**WHEREAS**, California Public Contract Code Section 1102 defines an emergency as "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services"; and

**WHEREAS**, California Public Contract Code Section 22050 authorizes the District to repair and take other immediate actions required to address an emergency, and requires that findings based on substantial evidence must be made that the

emergency will not permit delay resulting from a competitive solicitation of bids, and that the action is necessary to respond to the emergency, by a four-fifths vote of the Board; and

**WHEREAS**, TEC has submitted a proposal in the amount of \$24,865 to perform the repairs; and

**WHEREAS**, staff has carefully evaluated the proposal received from TEC and has found the proposed costs to be fair and reasonable and is confident in TEC's ability to complete the work successfully; and

**WHEREAS**, TEC has been directed by the General Manager/CEO, through staff, to perform the work; and

**WHEREAS**, the General Manager/CEO seeks Board ratification of the emergency purchase order awarded to TEC, for the North Base fuel line repairs.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the San Mateo County Transit District hereby:

1. Declares that an emergency exists with regard to the North Base diesel fuel system and directs staff to include relevant facts regarding the justification for the declaration of emergency in the minutes of this meeting;
2. Finds that the emergency does not permit a delay that would otherwise result from a formal solicitation for bids and action is necessary to respond to the emergency;
3. Ratifies the General Manager/CEO's issuance of an emergency purchase order in the amount of \$24,865 to Technology, Engineering & Construction, Inc. dba TEC/Accutite for the North Base diesel fuel system repairs; and
4. Authorizes the General Manager/CEO or his designee to take all other discretionary actions required to respond to said emergency, provided that the

General Manager/CEO reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved.

Regularly passed and adopted this 7<sup>th</sup> day of February, 2018 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transit District

ATTEST:

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District Secretary



BOARD OF DIRECTORS 2018

CHARLES STONE, CHAIR  
CAROLE GROOM, VICE CHAIR  
JEFF GEE  
ROSE GUILBAULT  
ZOE KERSTEEN-TUCKER  
KARYL MATSUMOTO  
DAVE PINE  
JOSH POWELL  
PETER RAITO

JIM HARTNETT  
GENERAL MANAGER/CEO

## AGENDA

### STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE COMMITTEE OF THE WHOLE

San Mateo County Transit District  
Bacciocco Auditorium - Second Floor  
1250 San Carlos Ave., San Carlos, CA

WEDNESDAY, FEBRUARY 7, 2018 – 2:45 p.m.  
or immediately following previous Committee meeting

1. Call to Order

#### INFORMATIONAL

2. Dumbarton Transportation Corridor Study- Update on Next Steps
3. Adjourn

Committee Members: Josh Powell, Zoe Kersteen-Tucker, Dave Pine

NOTE:

- This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.



**A G E N D A**  
**LEGISLATIVE COMMITTEE**  
**COMMITTEE OF THE WHOLE**

**San Mateo County Transit District**  
**Bacciocco Auditorium - Second Floor**  
**1250 San Carlos Ave., San Carlos, CA**

**WEDNESDAY, FEBRUARY 7, 2018 – 3:00 p.m.**  
or immediately following previous Committee meeting

1. Call to Order

**ACTION**

2. Approval of Minutes of Legislative Committee Meeting of January 3, 2018

**INFORMATIONAL**

3. State and Federal Legislative Update
4. Adjourn

Committee Members: Zoe Kersteen-Tucker, Jeff Gee, Josh Powell

NOTE:

- This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.
- All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF LEGISLATIVE COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
JANUARY 3, 2018**

Committee Members Present: K. Matsumoto (Committee Chair), C. Stone

Committee Member Absent: J. Powell

Other Board Members Present, Constituting Committee of the Whole: J. Gee, R. Guilbault, Z. Kersteen-Tucker, D. Pine, P. Ratto

Other Board Member Absent: C. Groom

Staff Present: J. Cassman, C. Fromson, C. Gumpal, J. Hartnett, M. Martinez, C. Mau, S. Murphy, D. Olmeda, S. VanHofen

Committee Chair Karyl Matsumoto called the meeting to order at 2:19 p.m.

**Approval of Minutes of December 6, 2017**

Motion/Second: Gee/Ratto

Ayes: Gee, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone

Absent: C. Groom, J. Powell

**Authorize Adoption of the 2018 Legislative Program**

The Legislative Program establishes the principles that will guide the District legislative and regulatory advocacy efforts through the 2018 calendar year, including the second half of the State legislative session and the second session of The 115th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the District to respond swiftly and effectively to unanticipated developments.

Motion/Second: Kersteen-Tucker/Gee

Ayes: Gee, Guilbault, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone

Absent: C. Groom, J. Powell

**Update on the State and Federal Legislative Program**

Casey Fromson, Director, Government and Community Affairs reported:

Federal Update

On December 12, the House and Senate reached agreement on a Tax Reform Bill that would cost \$1.5 trillion over 10 years. Fifteen Republicans voted against this bill and there are several provisions that we were also opposed to. One that was successful in our opposition was the Private Activity Bonds; this could be helpful for projects such as the Dumbarton Corridor. Provisions that made it into the final Bill: the Advance Repayment is repealed and suspension of the \$20 a month commuter bicycle benefits but leaves the parking and transit benefits largely unchanged except for a small

percentage of employers that give employees money for transportation rather than allowing them to deduct it.

Staff will be watching closely the Infrastructure Package.

State Update

The State Legislature reconvened today (January 3) so staff will be evaluating the new bills that are being introduced. Staff will be working with our delegation on letters of support for several grants that we will likely be applying for such as the Transit and Intercity Rail Program for express buses, Caltrain fleet expansion and also looking at funds from the Congested Corridors Program for the 101 Managed Lanes Project.

Adjourned: 2:23 p.m.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: San Mateo County Transit District

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Seamus Murphy  
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

**ACTION**

Staff will provide regular updates to the Board in accordance with the approved Legislative Program.

**SIGNIFICANCE**

The 2018 Legislative Program establishes the principles that will guide the legislative and regulatory advocacy efforts. Based on those principles, staff coordinates closely with our Federal and State advocates on a wide variety of issues that are considered in Congress and the State legislature. The attached reports highlight the recent issues and actions that are relevant to the Board.

Prepared By: Casey Fromson, Government and  
Community Affairs Director

650-508-6493

# Holland & Knight

800 17<sup>th</sup> Street, N.W., Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564  
Holland & Knight LLP | www.hklaw.com

## SamTrans Federal Update January 2018

### CONGRESS

Federal Government Expected to Reopen After Three Day Shutdown: On January 19, a four-week short-term Continuing Resolution (CR) to fund the government failed to gain the necessary 60 votes to pass the Senate, and a government shutdown began at midnight on January 20. The House had passed the CR by a vote of 226-194 the day before.

During debate in the Senate, Sen. Debbie Stabenow (D-MI) proposed an amendment to permanently reauthorize the Children's Health Insurance Program (CHIP); Sen. Benjamin Cardin (D-MD) sought a guarantee paychecks would be distributed to all furloughed federal employees following the reopening of the government; and Senate Majority Leader Mitch McConnell (R-KY) sought an amendment to fully fund military spending in the FY 2018 defense authorization law, at \$700 billion. All three amendments were rejected.

Since then, Congress has remained in session to continue working on spending negotiations. Senate Majority Leader Mitch McConnell called a vote at noon on Monday, January 22 on a new deal that would enact a CR until February 8. Sen. McConnell said he is committed to taking up a bill on border security and DACA even if a broader agreement on immigration and long-term spending is not reached by February 8, as long as the government remains open during this time. On Monday afternoon, Senate Minority Leader Chuck Schumer (D-NY) indicated he would agree to advance the bill after Republican leadership agreed to immediately consider immigration legislation on the floor if no deal is reached by February 8. Sen. Schumer said he expects a bipartisan DACA bill will receive fair consideration and an up-or-down vote on the Senate floor. The Senate voted to pass a procedural motion to advance the three-week CR, [H.R. 195](#), by a vote of 81-18. The CR also includes a six year reauthorization of CHIP and delays several ACA health insurance taxes. The Senate will now have to vote on final passage before sending it back to the House for them to pass it with the new CR deadline. House Speaker Paul Ryan (R-WI) said earlier on Monday that if the Senate successfully sent the House a three-week CR, the lower chamber would pass it quickly.

Senators Introduce Private Activity Bonds Legislation: On January 18, Senators John Cornyn (R-TX) and Mark Warner (D-VA) [introduced legislation](#) to increase the current \$15 billion limit on private activity bonds (PABs) to \$20.8 billion. The "Building United States Infrastructure and Leveraging Development (BUILD) Act" seeks to increase investment in infrastructure projects by allowing state and local governments to establish public-private partnerships (P3s) to finance surface transportation projects. Sen. Cornyn said the bill will help the administration finance additional highway and freight improvement projects through P3s, minimizing the cost to taxpayers. Sen. Warner said the legislation, in conjunction with his [BRIDGE Act \(S. 1168\)](#)

would attract additional investment to renew infrastructure, and emphasize the importance of PABs in leveraging private investment.

House Republicans Consider Lifting Earmark Ban: In 2010, the House banned the practice of members of Congress requesting earmarks in the annual appropriations bill. The Senate followed the House's lead on the issue and also voted to ban them. However, since the 2016 elections, several members of Congress have been seeking ways to bring earmarks back. Speaker Paul Ryan (R-WI) finally has allowed the issue to be more thoroughly discussed. The House Rules Committee will hold hearings to debate the issue of 'returning the power of the purse' to Congress. The first hearings were on [January 17](#) and [January 18](#). President Trump has also stated that Congress should consider bringing back earmarks, to ease the passage of legislation. The president made this comment during a meeting with a bipartisan group of lawmakers to discuss immigration reform earlier this month.

Conservative groups, such as Club for Growth, have condemned the suggestion to revive earmarks. Club for Growth President David McIntosh said in a statement that earmarks benefit special interests at "the expense of working men and women." Jason Grumet, president of the Bipartisan Policy Center, said restoring earmarks would be "one of the most important steps Congress can take to strengthen this institution." House Rules Committee Chairman Pete Sessions (R-TX) assured colleagues that the hearings are not meant to rush into a new earmark policy. Another GOP member of the Rules Committee, Rep. Tom Cole (R-OK), identified an interest among both Democrats and Republicans to reclaim earmark power, but acknowledged that a new system would be necessary. Several House members have argued that banning earmarks caused the unfavorable effect of Congress' power of the purse being relinquished to federal agencies. Chairman Pete Sessions stated that he plans to make recommendations on earmarks to the House Republican conference later this year, but no timeline has been set.

House Transportation Committee Chairman Retiring: House Transportation and Infrastructure (T&I) Committee Chairman Bill Shuster (R-PA) announced on January 2 that he plans to retire at the end of his current term, joining a growing wave of GOP members announcing their exit. Rep. Shuster would otherwise be term-limited out of committee chairmanship, after serving three terms at the helm, and it was widely speculated that he would announce his departure. Aviation Subcommittee Chairman Frank LoBiondo (R-NJ) and T&I Vice Chairman John Duncan (R-TN) had also announced their retirement. Rep. Shuster has said that in his final year he intends to focus on pushing for an infrastructure bill in conjunction with President Trump and the administration. Two confirmed candidates to replace Rep. Shuster as head of the committee are Reps. Jeff Denham (R-CA) and Sam Graves (R-MO), both of whom lead subcommittees under Shuster.

## **ADMINISTRATION**

New Interim FAA Administrator Takes Over: Former FAA Administrator Michael Huerta's last day in the position was January 5. Interim Administrator Dan Elwell – who served as Huerta's deputy – will take over as Administrator until a new one is approved. The new administrator may be Elwell himself, though this has not been confirmed. Elwell previously worked at Airlines for

America, the Aerospace Industries Association, and American Airlines. He also served as Assistant FAA Administrator during President George W. Bush's administration.

White House Infrastructure Plan Update: During the week of January 8, the administration began briefing Senate Environment and Public Works (EPW) Committee members and Democratic leadership on the contents of its infrastructure proposal. White House infrastructure adviser DJ Gribbin also met with Senate EPW Ranking Member Tom Carper (D-DE) on January 11 to discuss the plan. Sen. Carper asked how the administration would seek to leverage \$200 billion of the \$1 trillion package, and Gribbin said that state and local governments would supply the additional \$800 billion. The pair additionally discussed pay-fors for the package, and streamlining regulations. Sen. Carper sought to examine implementation issues with the streamlining provisions that have already been laid out by the administration. Sen. Carper had requested the meeting following Gribbin's discussion last week with Republican and Democratic members of the EPW Committee. The administration may release a detailed infrastructure principles before the State of the Union on January 30.

DOT Seeks AV Comments: Following an announcement from Transportation Secretary Elaine Chao, the Department of Transportation (DOT) published notices in the Federal Register on January 10, requesting information for the [Federal Highway Administration \(FHWA\)](#) on integrating automated driving systems (ADS) – autonomous vehicles (AVs) – into the national highway transportation system. The [Federal Transit Administration \(FTA\)](#) is also seeking comments on research programs for autonomous transit buses, and removing barriers to autonomous buses. The [National Highway Traffic Safety Administration \(NHTSA\)](#) will also seek comments on how to remove regulatory barriers for AVs, and how manufacturers can certify systems are meeting safety thresholds. Comments for NHTSA will inform guidance in the agency's third draft of AVs guidance, titled Federal Automated Vehicle Policy 3.0. In an address at the recent Consumer Electronics Show, Secretary Chao expressed her support for advancing innovation in AVs, and particularly, the societal impact AV technology will have in terms of safety, mobility, and security.

Senate Committee Re-Approves Nominees: After the nominations of Diana Furchtgott-Roth and former Rep. Lynn Westmoreland were sent back to the Senate Commerce Committee following opposition to their selections, the Committee re-approved them along party lines on January 18. Furchtgott-Roth's nomination to serve as Assistant Secretary of Transportation was complicated following questioning over comments she had made about climate change and sexual harassment in the workplace. Westmoreland's nomination was sent back to the White House due to a polarizing debate over his qualifications. Separately, the nominations of Ron Batory to lead the Federal Railroad Administration and Adam Sullivan to serve as Assistant Transportation Secretary for Government Affairs are currently locked in a Democratic hold. Democrats have held up these nominations as they demand action on funding for the Gateway tunnel project in New York.

January 29, 2018

TO: Board of Directors, San Mateo County Transit District

FM: Joshua W. Shaw and Matt Robinson, Shaw / Yoder / Antwih, Inc.  
Mike Robson and Trent Smith, Edelstein Gilbert Robson & Smith LLC

RE: **STATE LEGISLATIVE UPDATE – February 2018**

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***Legislative Update***

Happy New Year! The Legislature reconvened the 2017-2018 Legislative Session on January 3. The 2017-2018 Legislative Session will end August 31, 2018. Legislators have until February 16 to introduce new bills for consideration in 2018 – we will review those bills for their impact on SamTrans.

***Governor's Proposed 2018-19 Budget***

Governor Brown released on January 10 his proposed State Budget for 2018-19. With regard to transportation funding, the Budget mainly highlights the work of the various state agencies in the latter half of 2017 to implement SB 1 (Beall and Frazier), the Road Repair and Accountability Act of 2017, and provides a look ahead to 2018, including some high-level funding estimates for the various programs.

As noted by CalSTA Secretary Brian Kelly, the 2018-19 Governor's Budget represent the first full year of new revenues expected to flow from SB 1. According to the [Governor's Budget Summary](#), over the next decade the \$55 billion transportation package is expected to provide \$15 billion for state highway repairs and maintenance, \$4 billion in state bridge repairs, \$3.3 billion for state trade corridors, and \$2.5 billion for the state's most congested commute corridors. Local roads will receive more than \$15 billion in new funding for maintenance and repairs and \$2 billion in matching funds for local partnership projects. **Transit and intercity rail will receive \$7.6 billion in additional funding**, and local governments will have access to \$1 billion for active transportation projects.

Please see the table on the next page, from the Budget, for a complete breakdown of anticipated 2017-18 and 2018-19 appropriations for the various transportation programs funded with state revenues, including an estimate of anticipated revenues from SB 1.

**Road Maintenance and Accountability Act Funding**  
(Dollars in Millions)

Program		2017-18 Appropriation	2018-19 Appropriation
Local Allocations	Local Streets and Roads	\$451	\$1,193
	Transit and Intercity Rail Capital Program	\$330	\$330
	State Transit Assistance	\$280	\$355
	Local Partnership Program	\$200	\$200
	Active Transportation Program	\$100	\$100
	Commuter Rail and Intercity Rail	\$25	\$36
	Local Planning Grants	\$25	\$25
	<b>Total:</b>	<b>\$1,411</b>	<b>\$2,239</b>
State Allocations	SHOPP/Maintenance	\$451	\$1,210
	Bridges and Culverts	\$400	\$400
	Commuter Corridors	\$250	\$250
	Trade Corridor Enhancement	\$153	\$306
	Department of Parks and Recreation*	\$53	\$79
	Air Resources Board Clean Freight	\$50	\$0
	Freeway Service Patrol	\$25	\$25
	Department of Food and Agriculture*	\$17	\$26
	Transportation-related CSU and UC Research	\$7	\$7
	Transportation Workforce Development Board	\$5	\$5
	<b>Total:</b>	<b>\$1,411</b>	<b>\$2,308</b>
Administration	Department of Motor Vehicles	\$4	\$8
	<b>Total:</b>	<b>\$4</b>	<b>\$8</b>
Revenue	Transportation Improvement Fee	\$737	\$1,510
	Gasoline Excise Tax	\$1,250	\$1,852
	Diesel Excise Tax	\$405	\$672
	Diesel Sales Tax	\$200	\$286
	General Fund Loan Repayment	\$235	\$235
<b>Total:</b>	<b>\$2,827</b>	<b>\$4,555</b>	

\*Revenue derived from fuel purchased for off-road vehicles.

*STIP*

DOF estimates the swap-based excise tax rate to be set at 15.7 cents in 2018-19, generating approximately \$506 million in the coming fiscal year for STIP projects, an increase of \$243 million over the current year.

*Streets and Roads*

The Budget provides \$1.2 billion in new revenues from SB 1 to cities and counties to continue addressing the backlog of local road repairs, and will provide a similar amount for the state highway system. Of the 15.7 cents noted above, approximately \$506 million will go to cities and counties (an increase of \$243 million over the current year).

*Transit*

The Budget provides an additional \$355 million from SB 1 for the State Transit Assistance Program for local transit operations, bringing the 2018-19 total to \$855 million. The overall figure takes into account revenues from the sales tax on diesel (\$554 million), the newly created Transportation Improvement Fee (\$105 million), Cap and Trade (\$179 million), and remaining Proposition 1B expenditures (\$17 million). Additionally, the Governor's Budget anticipates \$36 million for intercity and commuter rail.

The Governor's Budget does not include official estimates or an expenditure plan for Cap and Trade revenues in 2018-19. However, based on information we received from DOF we can estimate the LCTOP will receive \$114 million and the TIRCP \$228 million in 2018-19. The Governor's Budget notes that details about his Cap and Trade Expenditure Plan will be released later this month.

#### *Goods Movement*

The Budget provides \$306 million from SB 1 sources to fund new projects to meet the state's current and future freight needs. The Governor's Budget does not include official estimates or an expenditure plan for Cap and Trade revenues in 2018-19. Freight projects have benefitted from Cap and Trade in the past. The Governor's Budget notes that details about his Cap and Trade Expenditure Plan will be released later this month.

#### ***SB 1 Repeal***

As we have reported in the past, a meaningful threat to the SB 1 revenues has arisen, with the filing of a new referendum initiative on September 14. The initiative would require statewide voter approval of any increase or extension of gasoline or diesel fuel taxes after January 1, 2017. The initiative is now being led by John Cox, a wealthy Republican businessman and candidate for Governor. The initiative is also supported by several of California's Congressional Republicans. To qualify the initiative for the ballot, the proponents will need to gather approximately 587,000 signatures, by mid-April.

On November 20, California's Attorney General released the title and summary for the repeal initiative. The title and summary retains the language of the title and summary drafted for the repeal initiative led by Assembly Member Travis Allen (R-Huntington Beach), and adds verbiage specifying that the initiative "Requires Any Measure to Enact Certain Vehicle Fuel Taxes and Vehicle Fees Be Submitted to and Approved by the Electorate." Proponents of the initiative have begun signature gathering efforts, which are supported by two committees; the committees have collectively raised \$900,000, including \$250,000 from John Cox, \$100,000 from House Majority Leader Kevin McCarthy (R-Bakersfield), \$50,000 from other Republican members of Congress, and \$100,000 from the Western Growers. The funding has paid for a public awareness campaign on television, radio and print intended to persuade voters to sign petitions. These developments signal that the campaign to repeal SB 1 is now underway. Proponents believe they have already collected more than 300,000 valid signatures pending verification by the Secretary of State.

Recently, supporters of SB 1 formed a ballot committee – the Coalition to Protect Local Transportation Improvements – to oppose the repeal effort and promote the benefits of SB 1 throughout California. The Committee is led by the California Alliance for Jobs, the California State Association of Counties, the League of California Cities, and the California Transit Association, as well as several other transportation, labor, business, and local government agencies, formally known as the Fix Our Roads Coalition. The Committee will also support passage of ACA 5 (Frazier), the constitutional amendment passed by the legislature to protect new SB 1 revenues; the measure will be before the voters this June. In his State of the State Address, Governor Brown committed his full support to defending SB 1 and opposing any potential repeal.

#### ***SB 1 Programs Underway***

For the past several months, numerous state agencies, including CalSTA, Caltrans, and the CTC, have been working vigorously to develop guidelines and issue the call for projects for several programs funded by SB 1 (Beall and Frazier).

Following is the most up-to-date information on the status of each program:

*Solutions for Congested Corridors Program* – Draft guidelines for the Program were approved by the CTC on October 18 and were finalized by the Commission on December 6. Project applications will be due by February 16, 2018. The first Program cycle will stretch across four years and the CTC will award \$1 billion in projects.

*State-Local Partnership Program* – Applications for the Formula Program share were due on December 15. Applications for the Competitive Program are due on January 30, 2018.

*Transit and Intercity Rail Capital Program* – Final guidelines were released for this competitive statewide Program on October 13 and the Call for Projects was announced. Project applications were due to Caltrans by January 12, 2018. This Program cycle will stretch across five years and CalSTA is poised to award approximately \$2.4 billion in projects.

*State Transit Assistance State of Good Repair* – Final guidelines were released on December 17 and project lists are due to Caltrans by January 31.

*State Rail Assistance Program* – Guidelines for this Program, which will assist the Capitol Corridor, were released on October 13. Allocation requests were due to CalSTA by December 15.

### ***Bills of Interest***

#### **SCA 6 (Wiener) – Lower Vote Threshold for Local Transportation Taxes (Two-Year Bill)**

The California Constitution subjects the imposition of a special tax by a city, county, or special district upon the approval of two-thirds of the voters. This measure would lower that threshold to 55 percent of voters for taxes for transportation purposes. ***We recommend SamTrans SUPPORT this bill.***

#### **SB 827 (Wiener) – Planning and Zoning Near Transit**

The Planning and Zoning Law requires, when a housing development is proposed within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus to produce low income housing. This bill would authorize a transit-rich housing project to receive a transit-rich housing bonus. The bill would define a transit-rich housing project as a residential development project within a half-mile of a major transit stop or a quarter-mile of a high-quality transit corridor. The bill would exempt a project from various requirements, including maximum controls on residential density or floor area ratio, minimum automobile parking requirements, design standards that restrict the applicant's ability to construct the maximum number of units consistent with any applicable building code, and maximum height limitations.

#### **AB 1405 (Mullin) – Digital Billboards**

This bill would authorize a comprehensive development lease agreement between the Department of Transportation (Caltrans) and the private sector for a new digital sign network to provide real-time information for enhanced statewide emergency and traveler communications and provide revenues to the State Highway Account by allowing paid advertisements to appear on the digital signs.

#### **AB 1759 (McCarty) – Road Maintenance and Rehabilitation Account Funding**

The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes a housing element and report on the progress of the established goals. This bill would require HCD to review the reports annually and beginning in the 2022–23 fiscal

year and require cities and counties to be certified in the prior fiscal year by HCD to remain eligible for an apportionment of SB 1 RMRA funds.

**ACA 4 (Aguiar-Curry) – Lower Vote Threshold for Local Infrastructure Taxes (Two-Year Bill)**

The California Constitution subjects the imposition of a special tax by a city, county, or special district upon the approval of two-thirds of the voters. This measure would lower that threshold to 55 percent for taxes for purposes of funding the construction, rehabilitation or replacement of public infrastructure or affordable housing, which specifically includes improvements to transit and streets & highways, as well as protection from impacts of sea-level rise.

**ACA 5 (Frazier and Newman) – Protecting Transportation Revenues, Revising Appropriations Limit**

This measure would add to the list of transportation-related revenues protected from legislative diversion by Article XIX those taxes and fees raised in SB 1 (Beall & Frazier). The measure also protects certain transit funds that were increased in the Gas Tax Swap of 2010-11. Article XIII B of the California Constitution prohibits the total annual appropriations subject to limitation of the state and each local government from exceeding the appropriations limit of the entity of the government for the prior year, as adjusted; this measure would also exclude appropriations of certain revenues associated with the Road Repair and Accountability Act of 2017 from the appropriations subject to constitutional limitation. ***This constitutional amendment was passed by the Legislature on April 6 and will be on the statewide ballot in June 2018.***

## San Mateo County Transit District State Legislative Matrix 1/26/18

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 1041</a> <a href="#">Levine</a> D</p> <p>Bay Area Toll Authority and oversight committee: conflict of interest.</p>	<p>1/16/2018-S. DESK 1/16/2018-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.</p>	<p>Existing law creates the Metropolitan Transportation Commission (MTC) as a regional agency in the 9-county San Francisco Bay area with comprehensive regional transportation planning and other related responsibilities. Existing law creates the Bay Area Toll Authority (BATA) as a separate entity governed by the same governing board as the MTC and makes the BATA responsible for the programming, administration, and allocation of toll revenues from the state-owned toll bridges in the San Francisco Bay area. Existing law provides for a proposed toll increase on the state-owned toll bridges to be submitted to voters of the 9 bay area counties, to be known as Regional Measure 3. Existing law requires the BATA to, among other things, establish an independent oversight committee within 6 months of the effective date of the Regional Measure 3 toll increase with a specified membership, to ensure the toll revenues generated by the toll increase are expended consistent with a specified expenditure plan and requires the BATA to submit an annual report to the Legislature on the status of the projects and programs funded by the toll increase. This bill would prohibit a representative appointed to the oversight committee from being a member, former member, staff, or former staff of the commission or the authority, a current employee of any organization or person that has received or is receiving funding from the commission or the authority, or a former employee or person who has contracted with any organization or person that has received or is receiving funding from the commission or the authority within one year of having worked for or contracted with that organization or person.</p>	

**San Mateo County Transit District  
State Legislative Matrix 1/26/18**

Bill ID/Topic	Location	Summary	Position
<p><a href="#">AB 1759</a> <a href="#">McCarty D</a></p> <p>General plans: housing element: production report: withholding of transportation funds.</p>	<p>1/4/2018-A. PRINT 1/5/2018-From printer. May be heard in committee February 4.</p>	<p>The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. The Planning and Zoning Law requires a planning agency, after a legislative body has adopted all or part of a general plan, to provide an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development on the status of the general plan and progress in meeting the community's share of regional housing needs. Existing law requires a planning agency to include in its annual report specified information, known as a production report, regarding units of net new housing, including rental housing and for-sale housing that have been issued a completed entitlement, building permit, or certificate of occupancy. This bill would require the department, on or before June 30, 2022, and on or before June 30 every year thereafter and until June 30, 2051, to review each production report submitted by a city or county in accordance with the provisions described above to determine whether that city or county has met the applicable minimum production goal for that reporting period. The bill would provide that, if the department determines that a city or county has met its applicable minimum production goal for that reporting period, the department shall, no later than June 30 of that year, submit a certification of that result to the Controller. This bill contains other related provisions and other existing laws.</p>	

## San Mateo County Transit District State Legislative Matrix 1/26/18

Bill ID/Topic	Location	Summary	Position
<p><a href="#">SB 827</a> <a href="#">Wiener</a> D</p> <p>Planning and zoning: transit-rich housing bonus.</p>	<p>1/16/2018-S. T. &amp; H. 1/16/2018-Referred to Coms. on T. &amp; H. and GOV. &amp; F.</p>	<p>The Planning and Zoning Law requires, when an applicant proposes a housing development within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents. This bill would authorize a transit-rich housing project to receive a transit-rich housing bonus. The bill would define a transit-rich housing project as a residential development project the parcels of which are all within a 1/2 mile radius of a major transit stop or a 1/4 mile radius of a high-quality transit corridor, as those terms are further defined. The bill would exempt a project awarded a housing opportunity bonus from various requirements, including maximum controls on residential density or floor area ratio, minimum automobile parking requirements, design standards that restrict the applicant's ability to construct the maximum number of units consistent with any applicable building code, and maximum height limitations, as provided. This bill contains other related provisions and other existing laws.</p>	

## San Mateo County Transit District State Legislative Matrix 1/26/18

Bill ID/Topic	Location	Summary	Position
<p><a href="#">SCA 6</a> <a href="#">Wiener</a> D</p> <p>Local transportation measures: special taxes: voter approval.</p>	<p>5/25/2017-S. APPR. SUSPENSE FILE 5/25/2017-May 25 hearing: Held in committee and under submission.</p>	<p>The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55% of the voters within the jurisdiction of these entities. This measure would require that the imposition, extension, or increase by a local government of a special tax as may otherwise be authorized by law, whether a sales or transactions and use tax, parcel tax, or other tax for the purpose of providing funding for transportation purposes be submitted to the electorate by ordinance and approved by 55% of the voters voting on the proposition. The measure would authorize an ordinance submitted to the voters for approval under these provisions to provide, as otherwise authorized by law, for the issuance of bonds payable from the revenues from the special tax. The measure would require an ordinance submitted to the voters under these provisions to include an expenditure plan specifying the transportation programs and projects to be funded by the revenues from the special tax and a requirement for an annual independent audit to ensure that the revenues are expended only for authorized purposes. The measure would also make conforming and technical, nonsubstantive changes. This bill contains other related provisions and other existing laws.</p>	<p>Recommend Support</p>



## A G E N D A

### BOARD OF DIRECTORS

San Mateo County Transit District Administrative Building  
Bacciocco Auditorium - Second Floor  
1250 San Carlos Ave., San Carlos, CA

WEDNESDAY, FEBRUARY 7, 2018 – 3:15 p.m.

or immediately following previous Committee meeting

#### 1. CALL TO ORDER/ROLL CALL

#### 2. CONSENT CALENDAR

##### MOTION

- a. Approval of Minutes of the Board of Directors Meeting of January 3, 2018
- b. Acceptance of Statement of Revenue and Expenses for December 2017
- c. Acceptance of Quarterly Investment Review and Fixed Income Market for the Period Ending December 31, 2017
- d. Receive and File Executed Contracts Up to \$100,000 (Non-C&P) Quarterly Report
- e. Receive and File Executed Contracts Greater than \$100,000 - \$150,000 Quarterly Report

#### 3. PUBLIC COMMENT

Public comment by each individual speaker shall be limited to one minute

#### 4. REPORT OF THE CHAIR

- a. Resolution of Appreciation for Outgoing Chair Rose Guilbault
- b. Get Us Moving San Mateo County – Ad Hoc Committee

#### 5. REPORT OF THE GENERAL MANAGER/CEO

- a. Update on 2017 Employee Survey District Actions
- b. SamTrans Business Plan Update

#### 6. COMMUNITY RELATIONS COMMITTEE –

##### SUBJECTS DISCUSSED

- a. Accessibility Update
- b. Paratransit Coordinating Council Update
- c. Citizens Advisory Committee Liaison Report
- d. Mobility Management Report – Bus Technology
- e. Multimodal Ridership Report – December 2017

**7. FINANCE COMMITTEE –  
RESOLUTIONS**

- a. Authorize Execution of a Grant Agreement with Silicon Valley Community Foundation for the US 101 Express Bus Feasibility Study and Amendment to Increase the Fiscal Year 2018 Capital Budget by \$50,000
- b. Award of Contract to Vanden Bos Electric, Inc. for the LED Installation Project in a Total Amount of \$393,000
- c. Award of Contract to New Flyer of America, Inc. for 55 New Heavy-duty, Low-floor, 60-foot Diesel Articulated Buses for a Total Estimated Amount of \$48,972,000
- d. Authorize Amendment of County Law Enforcement Services Agreement and Approve Communications Services Agreement with County of San Mateo
- e. Declare an Emergency for the Replacement of a Ruptured Fuel Line at North Base and Ratify an Emergency Purchase Order

**8. STRATEGIC PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE –  
SUBJECTS DISCUSSED**

- a. Dumbarton Transportation Corridor Study – Update on Next Steps

**9. LEGISLATIVE COMMITTEE –  
SUBJECT DISCUSSED**

- a. State and Federal Legislative Update

**10. GENERAL COUNSEL REPORT**

- a. Authorization to Grant Easement to Accommodate Blended Use by California High Speed Rail Authority of Caltrain Right-of-Way Conditioned on Parallel Action by Peninsula Corridor Joint Powers Board

**11. WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**

**12. BOARD MEMBER REQUESTS/COMMENTS**

**13. DATE, TIME AND PLACE OF NEXT REGULAR MEETING** – March 7, 2018 at 2 p.m.,  
San Mateo County Transit District, Administrative Building, Bacciocco Auditorium,  
2<sup>nd</sup> Floor, 1250 Carlos Ave., San Carlos 94070

**14. ADJOURN**

## **INFORMATION FOR THE PUBLIC**

If you have questions on the agenda, please contact the District Secretary at 650-508-6242. Agendas are available on the SamTrans Website at [www.samtrans.com](http://www.samtrans.com).

The San Mateo County Transit District Board and Citizens Advisory Committee (CAC) meeting schedules are available on the Web site.

### **Date and Time of Board and Advisory Committee Meetings**

San Mateo County Transit District Committees and Board: First Wednesday of the month, 2 p.m.; SamTrans Citizens Advisory Committee: Last Wednesday of the month, 6:30 p.m. Date, time and location of meetings may be change as necessary.

### **Location of Meeting**

The San Mateo County Transit District Administrative Building is located at 1250 San Carlos Avenue, San Carlos, one block west of the San Carlos Caltrain Station on El Camino Real, accessible by SamTrans bus Routes ECR, FLX, 260, 295 and 398. [Map link](#) Additional transit information can be obtained by calling 1-800-660-4287 or 511.

### **Public Comment**

- If you wish to address the Board, please fill out a speaker's card located on the agenda table. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the District Secretary, who will distribute the information to the Board members and staff.
- Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

### **Accessibility for Individuals with Disabilities**

Upon request, the Transit District will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the District Secretary at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or emailed to [board@samtrans.com](mailto:board@samtrans.com); or by phone at 650-508-6242, or TTY 650-508-6448.

### **Availability of Public Records**

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)  
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF BOARD OF DIRECTORS MEETING  
JANUARY 3, 2018**

Board Members Present: J. Gee, R. Guilbault, Z. Kersteen-Tucker, K. Matsumoto, D. Pine, P. Ratto, C. Stone

Board Member Absent: C. Groom, J. Powell

Staff Present: J. Cassman, A. Chan, C. Gumpal, J. Hartnett, R. Lobo, M. Martinez, C. Mau, S. Murphy, D. Olmeda

Chair Rose Guilbault called the meeting to order at 2:23 p.m.

**REPORT OF THE NOMINATING COMMITTEE (Matsumoto, Powell, Ratto)**

Election of Officers for 2018

Director Charles Stone was elected Chair and Director Carole Groom was elected Vice Chair.

Motion/Second: Guilbault/Pine

Ayes: Gee, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone, Guilbault

Absent: Groom, Powell

**CONSENT CALENDAR**

- a. Approval of Minutes of Board of Directors Meeting of December 6, 2018
- b. Acceptance of Statement of Revenues and Expenses for November 2017

Motion/Second: Gee/Guilbault

Ayes: Gee, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone, Guilbault

Absent: Groom, Powell

**PUBLIC COMMENT**

None.

**REPORT OF CHAIR**

None.

**REPORT OF THE GENERAL MANAGER/CEO – J. Hartnett**

The written report is included in the agenda packet.

The District will be partnering with Facebook on the Dumbarton Rail Corridor to see what is required to implement rail service across the bridge. The project principals are: Be a public benefit and public good; No risk to the District; and To maximize the value of the asset. This item will be placed on the February board agenda.

### **GET US MOVING SAN MATEO COUNTY UPDATE**

Seamus Murphy, Chief Communications Officer, reported that this effort was launched in November with the public communications to help learn more about the priorities that San Mateo County residents have when it comes to investment in traffic congestion reduction and transportation improvements. There are a number of inputs that would go into the development of a draft expenditure plan that could come before this board in the June timeframe. Staff is very happy with the amount of engagement that has been received due to the television and digital ads that have been up since right after the Thanksgiving holiday in addition to the direct mail survey. A little over \$10,000 completed direct mail surveys have been received from San Mateo County residents telling us what their top 5 priorities are in terms of Transportation improvements. The TV and digital advertisement and promotion is working as well, There have been 2,300 unique website visitors and 75 percent of those visitors are typing that URL directly into their browser. There have been speaking engagements and Town Halls that should be completed by the end of February.

Staff will monitor their progress throughout the rest of this month and into February. About a hundred applications have been received from cities and agencies around the county who are interested in benefiting from the investment of future transportation and an evaluation panel has been created to evaluate those proposals and we will learn the outcome of the evaluation process in March. Staff will also have the final tallies for the online and the direct mail server to review in March, with the progress that has been made in terms of getting feedback in the direction that the public and our stakeholders would like to go in terms of development of an expenditure plan that reflects their priorities. In April we will share what we've heard with the public and have a communications effort to educate the public about what we've heard from them what the needs are in San Mateo County. In the May timeframe, staff would come back to the board with a draft Expenditure Plan as an informational item to receive input from the Board to help refine those priorities, and in June come back for adoption of an Expenditure Plan for the County ballot. The San Mateo County Board of Supervisors would need to concur with the adoption of the Expenditure Plan in order for the District to have a ballot measure ready to go for the November 2018 election.

### **COMMUNITY RELATIONS COMMITTEE – Z. Kersteen-Tucker**

#### **SUBJECTS DISCUSSED**

- a. Accessibility Update
- b. Paratransit Coordinating Council Update
- c. Multimodal Ridership Report – November 2017

### **FINANCE COMMITTEE – P. Ratto**

#### **MOTION**

- a. Authorize Acceptance of the San Mateo County Transit District's Fiscal Year 2017 Comprehensive Annual Financial Report

Motion/Second: Guilbault/Gee

Ayes: Gee, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone, Guilbault

Absent: Groom, Powell

RESOLUTION

- b. Authorize Amendment to the Fiscal Year (FY) 2018 Capital Budget by \$860,000 from \$16,373,081 to \$17,233,081 and Increase the General Manager's Contract Change Order Authority by \$450,000 for the Contract with Interstate Grading & Paving for the San Carlos Transit Center Project by Resolution No. 2018-1

Motion/Second: Gee/Stone

Ayes: Gee, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone, Guilbault

Absent: Groom, Powell

**LEGISLATIVE COMMITTEE – K. Matsumoto**

SUBJECT DISCUSSED

- a. State and Federal Legislative Update

MOTION

- b. Adoption of 2018 Legislative Program

Motion/Second: Guilbault/Kersteen-Tucker

Ayes: Gee, Kersteen-Tucker, Matsumoto, Pine, Ratto, Stone, Guilbault

Absent: Groom, Powell

**REPORT OF LEGAL COUNSEL**

None.

**BOARD MEMBER REQUESTS/COMMENTS**

Director Matsumoto would like to host in February a community meeting in North County to receive feedback and share information. She would like to work with staff for a meeting to be held in February or March.

**DATE, TIME AND PLACE OF NEXT REGULAR MEETING** – February 7, 2018 at 2 p.m, San Mateo County Transit District, Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 Carlos Ave., San Carlos 94070

Adjourned at 2:55 pm in memory of Pete Li and Eric Reed.

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Board of Directors

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Martha Martinez  
Executive Officer,  
District Secretary/Executive Administration

SUBJECT: **EXECUTED CONTRACTS UP TO \$100,000 (NON-C&P) QUARTERLY REPORT**

**ACTION**

Staff requests that the Board receive and file the Executed Contracts Quarterly Report (attached).

**SIGNIFICANCE**

The attached provides a quarterly update on contracts valued up to \$100,000 delegated by the San Mateo County Transit District Board of Directors (Board) to the General Manager/CEO or his designee. This delegation of authority applies to grant agreements, funding agreements, memoranda of understanding, interagency agreements and cooperative agreements.

**BUDGET IMPACT**

There is no impact to the budget.

**BACKGROUND**

On March 2, 2016, the Board delegated authority to the General Manager/CEO or his designee to execute contracts and related amendments with values up to a total of \$100,000 per contract, including any amendments (Resolution No. 2016-12). The Board directed the General Manager/CEO or his designee to report any and all contracts entered into by this authority on a quarterly basis.

Prepared By: Martha Martinez

650-508-6242

San Mateo County Transit District

2017

Executed Contracts by General Manager/CEO

DATE ENTERED INTO	CONTRACT NAME/DESCRIPTION	PARTIES TO CONTRACT	AMOUNT
<b>1st Quarter January - March 2017</b>			
01/05/17	Funding Agreement for the Grand Boulevard Initiative: Creating Safe and Healthy Corridor Communities Project	City of Palo Alto (funded by)	Up to \$22,613
<b>2nd Quarter April - June 2017</b>			
05/30/17	Funding Agreement for the Grand Boulevard Initiative: Creating Safe and Healthy Corridor Communities Project	City of Redwood City (funded by)	Up to \$22,613
06/06/17	Short Range Transit Plan - Amendment No. 1, extend contract termination to July 30, 2017	Metropolitan Transportation Commission	\$ -
<b>3rd Quarter - July - September 2017</b>			
09/27/17	Funding Agreement for the Bike Share Expansion and Additional Bike Share Analysis	City of San Mateo	\$72,781.05
<b>4th Quarter - October - December 2017</b>			
None			

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: Board of Directors

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **CONTRACTS ISSUED BETWEEN \$100,000 AND \$150,000 QUARTERLY  
REPORT**

**ACTION**

Staff requests that the Board of Directors (Board) receive and file the Contracts Issued Between \$100,000 and \$150,000 Quarterly Report (attached).

**SIGNIFICANCE**

The report provides a quarterly update on contracts issued by the San Mateo County Transit District (District) in an amount greater than \$100,000 and up to \$150,000 pursuant to authority delegated by the Board to the General Manager/CEO or his designee. This delegation of authority applies to agreements, purchase orders, contract amendments, change orders and other contracts executed as exceptions to the competitive process. From October 1 to December 31, 2017, no contracts in an amount greater than \$100,000 and up to \$150,000 were approved.

**BUDGET IMPACT**

There is no impact on the budget.

**BACKGROUND**

On March 1, 2017, per Resolution No. 2017-14, the District updated its Procurement Policy to reflect changes in State law enacted through Assembly Bill 2030. One of the revisions provides the District with the authority to utilize an informal procurement method obtaining, when practical, a minimum of three quotations, for the purchase of equipment, supplies or materials when the expenditure is between \$5,000 and \$150,000. The previous threshold was limited to expenditures between \$2,500 and \$100,000.

As a result of this change, the Board requested that staff prepare a report on a quarterly basis, to show what procurement contracts have been executed between the previous threshold of \$100,000 and the new threshold of \$150,000.

Prepared By: Julie Taylor, Director, Contracts and  
Procurement

650-622-7860

**SAMTRANS**  
**Contracts Issued between \$100K and \$150K**  
**October 1 to December 31, 2017**

Type	Project Manager	Contract Number	Solicitation Title	Vendor Name	Contract Term	Award Date	Award Amount
1 RFQ	N/A	N/A	N/A	N/A	N/A	N/A	N/A

No Purchase Orders or Contracts between \$100K and \$150K were issued during this quarter.



MEMORANDUM

BOARD OF DIRECTORS 2018

CHARLES STONE, CHAIR
CAROLE GROOM, VICE CHAIR
JEFF GEE
ROSE GUILBAULT
ZOE KERSTEEN-TUCKER
KARYL MATSUMOTO
DAVE PINE
JOSH POWELL
PETER RATTO

JIM HARTNETT
GENERAL MANAGER/CEO

BOD ITEM # 5
FEBRUARY 7, 2018

Date: January 31, 2018
To: SamTrans Board of Directors
From: Jim Hartnett, General Manager/CEO
Subject: General Manager/CEO Report

FY 2018 Six-month Summary

The Training Department December Education Campaign focused on new procedures for Sliding Seats. As previously reported, Sliding Seats provides relief for a Bus Operator along a service route. This improves efficiency by maximizing vehicle utilization, reducing deadhead miles, and allowing Bus Operators more consistent meal breaks. Sliding Seats was implemented with the contractor in August 2017 and with SamTrans operated routes in January 2018. The program is being deployed on a small scale initially to work out details and to train employees.

Human Capital Investment

Table with 3 columns: Activity, FY 2017, FY 2018. Rows include New Bus Operator Trainees, Part to Full-time Bus Operator, DMV mandated training, Bus Operator retraining, Maintenance training, Professional Development, and Total Hours.

Bus Operator Shortage:

There is an industry-wide Bus Operator shortage. Metro-Magazine reported in December 2017 that "Recruiting, hiring, and retaining drivers continues to be the biggest challenge facing motorcoach operations today, according to 85% of the respondents to this year's METRO Top 50 Motorcoach Survey." SamTrans has 308 authorized Bus Operator positions. Historically the District's attrition rate averaged two bus operators per month. In FY 2018 the average attrition has been approaching three Bus Operators per month.

- Class #151 graduated five Full-time Bus Operators on January 19, 2018 and started work January 21, 2018 with Runbook 125, approximately six months ahead of the original training schedule. This is the result of the higher attrition rate.

Fixed-route Bus Service/Ridership

Table with 3 columns: Activity, FY 2017, FY 2018. Row: Trips that did not operate.

- On-time Performance, goal is 85%:
  - Directly operated service 83.7% 81.0%
  - Contracted bus service 81.0% 76.1%
  - Coastside service 82.7% 78.3%
  - Combined service 83.1% 79.8%
- Complaints per million trips 150 191
- Ridership
  - AWR 39,680 37,420
  - Total Trips 6,074,130 5,721,370
- There were 304 DNOs in the first six months of FY 2018, an increase over the 96 DNOs accumulated in FY 2017. The 304 DNOs in FY 2018 are approximately 0.11 percent of 288,000 total trips compared to 0.03 percent for 96 DNOs in FY 2017. Traffic congestion, to a certain extent, contributes to the number of DNOs; however, the primary cause for DNOs is due to staffing shortages. Contracted Urban Bus Services (CUB) experienced 85 DNOs in the month of December 2017 alone. SamTrans is working with the CUB contractor to address Bus Operator shortages.

**Runbook 125 effective January 21, 2018:**

- Some route numbers were combined to simplify service and make SamTrans service more user-friendly.
- Route 118 from Linda Mar to Colma BART was extended to also serve Daly City BART.

<b><u>Paratransit Service/Ridership</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>
• On-time Performance, goal is 90.0%		
➢ Redi-Wheels	92.7%	89.7%
➢ RediCoast	96.7%	97.3%
• Ridership		
➢ AWR	1,230	1,230
➢ Total Trips	181,010	180,920

The number of registered Paratransit customers in December 2017 was 8,439.

**Maintenance Department**

The Maintenance goal for average Miles Between Service Calls (MBSC) is **20,000** miles with a stretch goal of **25,000** MBSC.

	<b><u>FY 2017</u></b>			<b><u>FY 2018</u></b>		
	<u>Miles Driven</u>	<u># Calls</u>	<u>MBSC</u>	<u>Miles Driven</u>	<u># Calls</u>	<u>MBSC</u>
Motor Bus	2,956,521	101	29,272	2,904,312	109	26,645
Paratransit	799,781	12	66,648	812,376	17	47,787

**SamTrans Social Media**

	<u>FY 2017</u>	<u>FY 2018</u>
Monthly Impressions:	890k	3.4 million (Facebook, Twitter, Instagram, LinkedIn)
Monthly Interactions:	34,190	42,651
Monthly New Followers:	490	611

### **SamTrans Fare Study**

Staff kicked off the SamTrans Fare Study in November 2017. While fares in the past have been adjusted periodically, the Fare Study will take a fresh look at the universe of fare policy options and recommend a framework for establishing a fare policy for the District. The study will create an elasticity model using an on-board fare survey. It will evaluate how changes in fares affect ridership and revenue. The internal project management team consists of interdisciplinary experts from Planning, Operations, Finance and Marketing. The study is currently scheduled to be complete by summer 2018; staff will return to the Board this spring to provide more details on the study.



MEMORANDUM

BOARD OF DIRECTORS 2018

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RESOLUTION NO. 2018 -

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSIT DISTRICT

STATE OF CALIFORNIA

\* \* \*

**AUTHORIZING THE GRANT OF EASEMENT INTERESTS  
TO THE CALIFORNIA HIGH SPEED RAIL AUTHORITY  
TO ACCOMMODATE THE BLENDED USE OF THE CALTRAIN RIGHT OF WAY**

**WHEREAS**, on December 20, 1991, the Peninsula Corridor Joint Powers Board (JPB) entered into a Purchase and Sale Agreement with South Pacific Transportation Company to acquire the Caltrain Right of Way real property from San Francisco to San Jose (Corridor); and

**WHEREAS**, the San Mateo County Transit District (District), one of the three Member Agencies of the JPB, is the co-owner of that portion of the Corridor situated in San Mateo County and holds a security interest in the Corridor situated in Santa Clara County and in the City and County of San Francisco; and

**WHEREAS**, the District's security interest exists as a result of its agreement in December of 1991 to advance funds to consummate the acquisition of the Corridor the on behalf of its two member agency partners in the JPB, the Santa Clara County Valley Transportation Authority (VTA) and the City and County of San Francisco (CCSF); and

**WHEREAS**, the three member agencies of the JPB with the Metropolitan Transportation Commission entered into an Agreement in 2008 under which the District will be repaid the funds it advanced on behalf of VTA and CCSF; and

**WHEREAS**, there is one last installment payment due to the District under the 2008 Agreement, but once the repayments required under said Agreement are complete, the District will release its co-ownership and security interests in the Corridor; and

**WHEREAS**, in August, 2016 the JPB and the California High Speed Rail Authority (Authority) entered into a funding agreement which delineated and authorized an action plan for JPB's obtaining access to \$600 million of Proposition 1A funds appropriated by the California Legislature through enactment of SB 1029 in 2012 for the design and construction of an electrification project in the Corridor; and

**WHEREAS**, the aforementioned funding agreement provided the framework for negotiation of a Project Management and Funding Agreement (PMFA), execution of which is required by SB 1029 as a prerequisite to actual receipt of the \$600 million appropriation; and

**WHEREAS**, negotiation of the PMFA between the JPB and the Authority is nearing completion; and

**WHEREAS**, among other things, the PMFA will serve to implement the conveyance of an easement enabling the Authority to utilize the electrification system infrastructure that is being partially funded through Proposition 1A funds and to conduct future blended system high speed rail service in the corridor pursuant to the terms of future agreements to be negotiated between the JPB and CHSRA in conjunction with blended system planning efforts currently underway; and

**WHEREAS**, as a prerequisite to actual conveyance of an easement to CHSRA, the District's consent in its capacity as co-owner and holder of a security interest in the Corridor first must be obtained; and

**WHEREAS**, the General Manager/CEO and General Counsel have advised that the District's consent to the conveyance of the easement to CHSRA will not adversely affect or otherwise diminish the District's security interest in the Corridor and furthermore will serve to further the District's interest as a member agency in the JPB in obtaining the

funding from the State committed by the California Legislature for electrification of the Corridor; and

**WHEREAS**, the General Manager/CEO recommends that the District Board of Directors authorize him to take such actions as may be required on behalf of the District to effect the conveyance of an easement interest in the Corridor to the CHSRA upon execution of the PMFA by the JPB.

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Directors of the San Mateo County Transit District authorizes the General Manager/CEO to grant an easement interest in the Corridor to the California High Speed Rail Authority for the purposes hereinabove described following execution by the Peninsula Corridor Joint Powers Board and the Authority of a Project Management and Funding Agreement providing for allocation of \$600 million from Proposition 1A to be applied toward electrification of the Corridor; and

**BE IT FURTHER RESOLVED** that the Board of Directors authorizes the General Manager/CEO and General Counsel to take such other actions as may be necessary to give effect to this Resolution.

Regularly passed and adopted this 7<sup>th</sup> day of February, 2018 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, San Mateo County Transit District

ATTEST:

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District Secretary