Government Code Section 66006 provides that a local agency that requires the payment of development fees shall prepare an annual and five-year report detailing the status of those fees. The annual report must be made available to the public within 180 days of the end of the fiscal year. The City Council must review the report at the next regularly scheduled public meeting of the Council that falls at least fifteen (15) days after the information is made available to the public.

Pursuant to Government Code Section 66006(b)(1) the following information must be made available to the public:

(G) A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

(H) The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

1. Provide a brief description of the type of fee in the account or fund.

   a. **Regional Circulation Financing and Phasing Program (RCFPP):** The fees are used to mitigate the traffic impacts caused by new development in the Benefit Zones. The fees will cause development in the Benefit Zones to pay their fair share of the construction costs of improvements within the Benefit Zones.

   b. **Beach Parking Impact Fee:** The fees are used to mitigate the impact of new development on beach parking.

   c. **Public Safety Construction Fee:** The fees are used to mitigate the impact of new development on public safety services.

   d. **Civic Center Construction Fund Fee:** The fees are used to mitigate the impact of new development on the need for additional municipal office space.

   e. **Storm Drain Fee – Other Area (City Infill Development Areas):** The fees are used to mitigate new development’s impact on the City’s Storm Drainage Facilities in the City Infill Development Areas.

   f. **Storm Drain Fee – Segunda Decshecha:** The fees are used to mitigate new development’s impact on the City’s Storm Drainage Facilities in the Segunda Decshecha area.
g. **Storm Drain Fee – Prima Decshecha Canada:** The fees are used to mitigate new development’s impact on the City’s Storm Drainage Facilities in the Prima Decshecha Canada area.

h. **Storm Drain Fee – Marblehead:** The fees are used to mitigate new development’s impact on the City’s Storm Drainage Facilities in the Marblehead area.

i. **Water Acreage Fee:** The fees are used to mitigate the impact of new development on the City’s water system facilities.

j. **Sewer Connection Fee:** The fees are used to mitigate the impact of new development on the City’s water reclamation plant.

2. **List the amount of the fee**

   a. **Regional Circulation Financing and Phasing Program (RCFPP):** Attached as Exhibit #1

   b. **Beach Parking Impact Fee:** Attached as Exhibit #2

   c. **Public Safety Construction Fee:** Attached as Exhibit #3

   d. **Civic Center Construction Fund Fee:** Attached as Exhibit #4

   e. **Storm Drain Fee – Other Area (City Infill Development Areas):** Attached as Exhibit #5

   f. **Storm Drain Fee – Segunda Decshecha:** Attached as Exhibit #5

   g. **Storm Drain Fee - Prima Deschecha Canada:** Attached as Exhibit #5

   h. **Storm Drain Fee – Marblehead:** Attached as Exhibit #5

   i. **Water Acreage Fee:** Attached as Exhibit #6

   j. **Sewer Connection Fee:** Attached as Exhibit #7

3. **List the beginning and ending balance of the account or fund.**

   a. **Regional Circulation Financing and Phasing Program (RCFPP):**
      
      *Beginning balance as of 7/1/15: $3,458,050*
      
      *Ending balance as of 6/30/16: $3,487,463*

   b. **Beach Parking Impact Fee:**
      
      *Beginning Balance as of 7/1/15: $10,660,919*
      
      *Ending balance as of 6/30/16: $ 8,095,177*
c. Public Safety Construction Fee:
   Beginning balance as of 7/1/15: $4,874,485
   Ending balance as of 6/30/16: $5,147,164

d. Civic Center Construction Fund Fee:
   Beginning balance as of 7/1/15: $2,201,063
   Ending balance as of 6/30/16: $2,312,466

e. Storm Drain Fee – Other Area (City Infill Development Areas):
   Beginning balance as of 7/1/15: $ 938,544
   Ending balance as of 6/30/16: $ 929,527

f. Storm Drain Fee – Segunda Deshecha:
   Beginning balance as of 7/1/15: $2,815,977
   Ending balance as of 6/30/16: $2,830,329

g. Storm Drain Fee – Prima Deshecha Canada:
   Beginning balance as of 7/1/15: $ 47,826
   Ending balance as of 6/30/16: $ 36,803

h. Storm Drain Fee – Marblehead:
   Beginning balance as of 7/1/15: $109,618
   Ending balance as of 6/30/16: $105,400

i. Water Acreage Fee:
   Beginning balance as of 7/1/15: $ 2,828,338
   Ending balance as of 6/30/16: $ 2,783,452

j. Sewer Connection Fee:
   Beginning balance as of 7/1/15: $ 7,003,987
   Ending balance as of 6/30/16: $ 6,496,537

4. List the amount of the fees collected and the interest earned.

<table>
<thead>
<tr>
<th>Fees Collected</th>
<th>Interest Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Regional Circulation Financing and Phasing Program (RCFPP): $182,270</td>
<td>$ 41,378</td>
</tr>
<tr>
<td>b. Beach Parking Impact Fee: $ 2,291</td>
<td>$ 43,753</td>
</tr>
<tr>
<td>c. Public Safety Construction Fee: $ 167,395</td>
<td>$124,566</td>
</tr>
<tr>
<td>d. Civic Center Construction Fund Fee: $ 55,802</td>
<td>$ 56,500</td>
</tr>
<tr>
<td>e. Storm Drain Fee – Other Area (City Infill Development Areas): $ 5,097</td>
<td>$ 10,863</td>
</tr>
</tbody>
</table>
f. Storm Drain Fee – Segunda Decshecha:  
   $ 620  \quad $ 32,758

g. Storm Drain Fee – Prima Deschecha Canada:  
   $ 0  \quad $ 554

h. Storm Drain Fee – Marblehead:  
   $ 0  \quad $ 1,269

i. Water Acreage Fee:  
   $ 18,943  \quad $ 29,958

j. Sewer Connection Fee:  
   $ 315,616  \quad $ 85,313

5. Provide an identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.

   Attached as Exhibit #8

6. Provide an identification of an approximate date by which the construction of the public improvements will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete.

   a. Regional Circulation Financing and Phasing Program (RCFPP):  
      The City has determined that sufficient funds have been collected to complete the Camino Del Rio Intersection improvements (project no. 16350). Construction commenced in November 2015 on the Camino Del Rio Intersection Improvements (project no. 16350) and will continue into 2017.

   b. Beach Parking Impact Fee:  
      As a result of a legal challenge, collection of Beach Parking Impact Fees ceased in 2016. The City is in the process of refunding the Beach Parking Impact Fee fund balance. Legal fees of $2,611,787 were paid during 2016.

   c. Public Safety Construction Fee:  
      The City has determined that sufficient funds have been collected to complete the 800 MHZ Backbone Equipment Project (Project no. 15807). The project commenced in August 2014 and will be completed over an estimated three-year period. The City has determined that sufficient funds have been collected to complete the Fire Station No. 59 Diesel Fuel Tank project (Project no. 16812)

   d. Civic Center Construction fund Fee:  
      The City has not determined that sufficient funds have been collected to complete the Civic Center improvements.
e. Storm Drain Fee – Other Area (City Infill Development areas):
The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Other Areas project (Project no. 34001). The Master Plan commenced in 2016 and will be completed during fiscal year 2017. The City has determined that sufficient funds have been collected to complete the MOOS05 Montalvo Canyon Outlet project (Project no. 16004). The MOOS05 Montalvo Canyon Outlet project commenced in 2016 and will be completed during fiscal year 2017. The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

f. Storm Drain Fee – Segunda Deschecha:
The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Segunda Deschecha project (Project no. 34003). The Master Plan commenced in 2016 and will be completed during fiscal year 2017. The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

g. Storm Drain Fee – Prima Deschecha Canada:
The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Prima Deschecha project (Project no. 34002). The Master Plan commenced in 2016 and will be completed during fiscal year 2017. The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

h. Storm Drain Fee – Marblehead:
The City has determined that sufficient funds have been collected to complete the City Master Plan of Drainage – Marblehead project (Project no. 34004). The Master Plan commenced in 2016 and will be completed during fiscal year 2017. The City has not determined that sufficient funds have been collected to complete any improvements ultimately recommended in the Master Plan project.

j. Water Acreage Fee:
The City has determined that sufficient funds have been collected to complete the Easement Acquisition – Reservoir 10 & 6 (Project no. 14400). Negotiations with the property owner commenced in 2005 but have not been successful to date which has prevented the project from proceeding at this time. Sufficient funds have been collected to complete the construction of the Water Line – Reservoir 10 & 6 (Project no. 15401) across the easement, if the easement is successfully purchased. Construction will commence following the easement acquisition, which is projected to be in mid 2017.

The City has determined that sufficient funds have been collected to complete the Reeves Pump Station project (Project no. 17405) in the Marblehead Coastal area. Final design of the Pump Stations will be completed in early 2017 and construction is expected to be completed by the end of the 2017 calendar year.
The City has determined that sufficient funds have been collected to complete the Irvine Ranch Water District Interconnection (Project no. 18426). The project conveys excess well water capacity in the Irvine Water District (IRWD) system to the City. Additional capacity will be purchased when it becomes available. The project has not commenced at this time.

The City has determined that sufficient funds have been collected to complete the Water System SCADA Improvement project (Project no. 13501). Project construction has been on-going since 2007 and should be completed in 2017.

k. Sewer Connection Fee:
   The City has determined that sufficient funds have been collected to complete the Sewer System SCADA Improvement project (Project no. 12605). Project construction has commenced and should be completed in 2017.

   The City has determined that sufficient funds have been collected to complete the Solids Handling Sludge Storage Tank improvements (project no. 14205). Construction of the Storage Tank project has already commenced and should be completed in early 2017.

   The City has determined that sufficient funds have been collected to complete the Tertiary Filter Backwash Improvements (Project no. 16207). Design started during 2016 and construction should take place in fiscal year 2017.

   The City has determined that sufficient funds have been collected to complete the Marblehead Coastal Recycled Water Line Reimbursement (project no. 17201). Construction of the Recycled Water Line has not commenced.

   The City has determined that sufficient funds have been collected to complete the Recycled Water Expansion improvements (project no. 18201). Construction of the Expansion project has been completed and should be accepted in fiscal year 2017.

   The City has determined that sufficient funds have been collected to complete the Recycled Water Conversion program (project no. 34201). A retrofit program was implemented in 2016 and will be completed in fiscal year 2017.

   The City has determined that sufficient funds have been collected to complete the Sewer System Master Plan project (Project no. 34202). Development of the Master Plan has already commenced and will be completed during fiscal year 2017.

7. Provide a description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

   No transfers or interfund loans were made in Fiscal Year 2016.
8. Provide the amount of any refunds made from surplus fees and the amount of any allocations made pursuant to subdivision (f) of Section 66001. (Subdivision (f) of Section 66001 requires reallocation of surplus fees where the administrative costs of refunding the fees exceed the amount to be refunded.

a. Regional circulation Financing and Phasing Program (RCFPP):
   None

b. Beach Parking Impact Fee:
   None

c. Public Safety Construction Fee:
   None

d. Civic Center Construction Fee:
   None

e. Storm Drain Fee – Other Area (City Infill Development Areas):
   None

f. Storm Drain Fee – Segunda Deschecha:
   None

g. Storm Drain Fee – Prima Deschecha Canada:
   None

h. Storm Drain Fee – Marblehead:
   None

i. Water Acreage Fee:
   None

J. Sewer Connection Fee:
   None