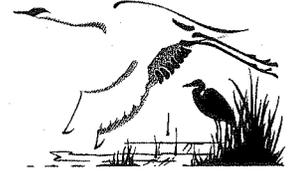


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September 30, 2008

Ms. Kathleen Rollings-McDonald
Local Agency Formation Commission
215 North "D" Street, Suite 204
San Bernardino, CA 92415-0490

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LAFCO
San Bernardino County

Dear Kathy:

LAFCO 3036 consists of a municipal service review for the City of Hesperia Water District (HWD) pursuant to Government Code Section 56430 and Sphere of Influence Study pursuant to Government Code 56425. At the present time there appear to be four options for the sphere boundary of the HWD. These are: retain the existing sphere (HWD); or modify the Sphere (expansion and reduction) along the Mojave River to realign along parcel boundaries; modify the Spheres of both the City of Hesperia and City of Victorville at Bear Valley Road to follow the existing centerline of this roadway, including the HWD; and along the existing southern sphere boundary, reduce the Sphere by 338 acres to remove all Hesperia spheres (City, HWD, Fire Protection District and Recreation and Parks District) that overlap the existing jurisdictional boundary of the Crestline-Lake Arrowhead Water Agency. As we have learned from previous sphere modifications, the designation of a sphere, which is a planning boundary, does not by itself cause any modifications to the physical environment. Only when the subsequent step is taken to physically revise the jurisdictional boundary of a service district does a potential for physical changes in the environment occur.

Based on this information, it appears that LAFCO 3036 can be implemented with either of the four boundary options without causing any physical changes to the environment or any adverse environmental impacts. Therefore, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) applies to LAFCO 3036 regardless of sphere boundary configuration under Section 15061 (b) (3) of the State CEQA Guidelines, which states: "*A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*" It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 3036. In this case, assigning the same or a modified Sphere to the HWD, does not alter their existing operations or obligations, it only indicates that the Commission has the opinion that in the future the District should, not must, consider reassessing its boundaries (not if the existing sphere is retained).

Based on this review of LAFCO 3036 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3036 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with CEQA for this action. The Commission can approve the review and findings for this action and I recommend

that you notice LAFCO 3036 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed.

A copy of this exemption should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Dodson". The signature is written in a cursive, flowing style.

Tom Dodson