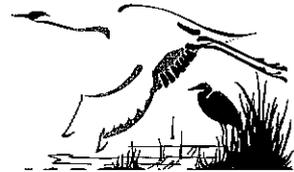
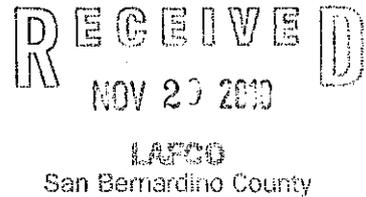


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November 26, 2010

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



Dear Kathy:

LAFCO 3114 consists of a service review for the Crestline Village Water District (District) pursuant to Government Code Section 56430 and Sphere of Influence Update pursuant to Government Code 56425. The District encompasses approximately 7,520 acres generally bordered by a combination of section lines and parcel lines along the western edge of the communities of Twin Peaks and Rimforest on the east; a combination of section lines and parcel lines generally along Lake Gregory Drive, Crest Forest Drive, and Rim of the World Highway (Highway 18) on the south; a combination of section lines and parcel lines generally along Playground Drive, Ridge Drive, and Sawpit Canyon Trail on the west; and a combination of section lines and parcel lines south of Silverwood Lake, Miller Canyon, and Pilot Rock on the north.

The District provides water supply service within the area identified above. The Commission staff is recommending that the existing Sphere and services of the District be expanded and reduced as shown on the attached map. This would include expanding the Sphere area to encompass the Crest Forest community and modification of the Water service description to include retail, conservation, reclamation and operation.

As we have learned from previous sphere and service reviews, the designation of a sphere and clarification of existing services, which focuses on 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 or range of services of a service agency does a potential for physical change in the environment occur.

The effects of the sphere and service review for the District, expansion and reduction of the Sphere and service modifications, does not appear to have any potential to alter the existing physical environment in any manner. Expansion and reduction of the current Sphere and modification of the services provided does not have any potential for causing physical changes in the environment because it is solely a planning boundary. Therefore, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) applies to LAFCO 3114 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 3114.

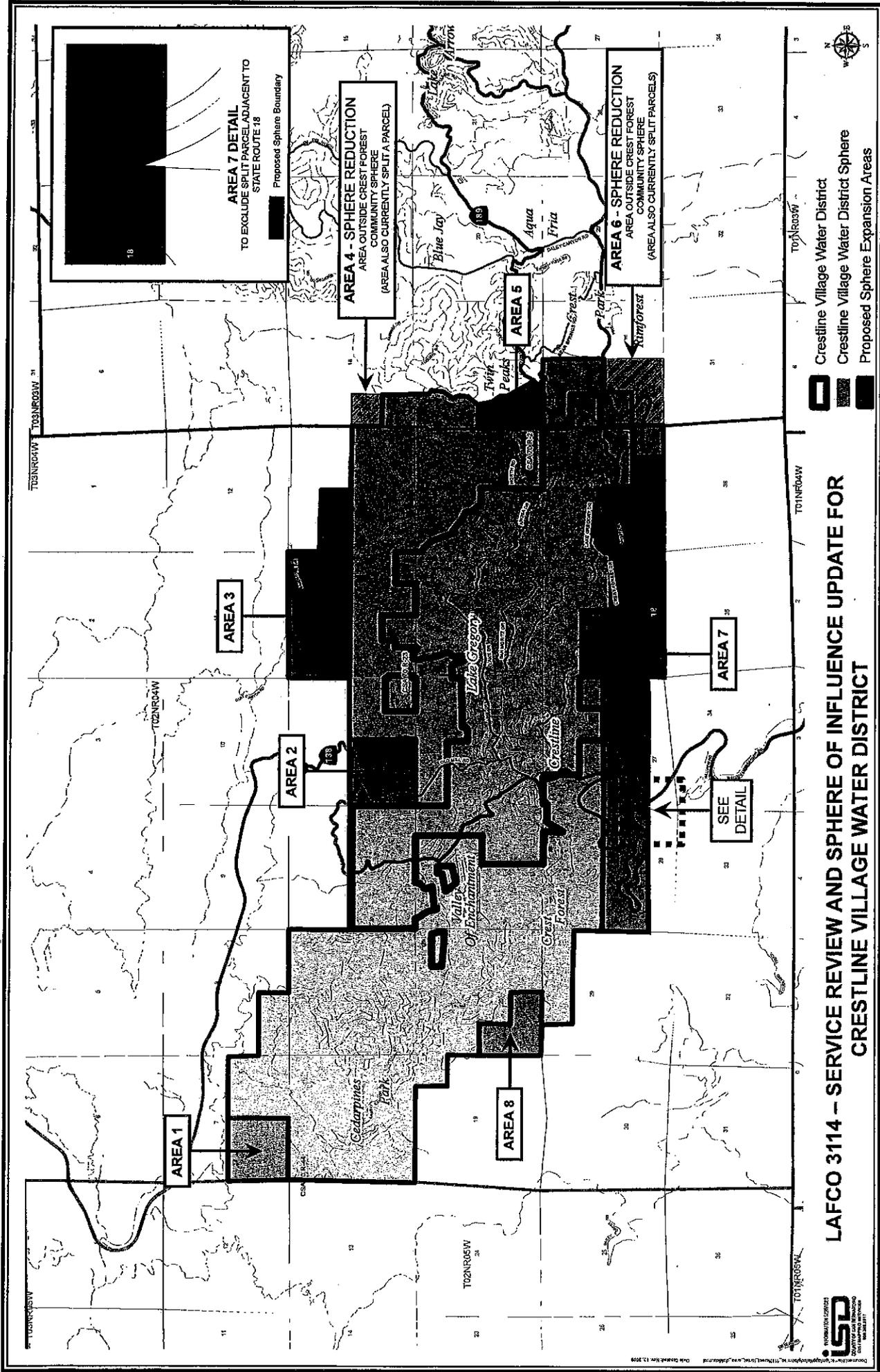
In this case, adopting the expanded Sphere and modification of service scope of the District does not alter the existing operations or obligations of the area and does not adversely affect any existing physical facilities. It modifies a planning boundary only and modifies its service description under its authorized water function. Based on this review of LAFCO 3114 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3114 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 this review and finding for this action and I recommend that you notice LAFCO 3114 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 (NOE) with the County Clerk to the Board for this action once the action is completed.

A copy of this memorandum and the NOE 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, slightly slanted style.

Tom Dodson



AREA 7 DETAIL
 TO EXCLUDE SPLIT PARCEL ADJACENT TO
 STATE ROUTE 18
 Proposed Sphere Boundary

AREA 4 - SPHERE REDUCTION
 AREA OUTSIDE CREST FOREST
 COMMUNITY SPHERE
 (AREA ALSO CURRENTLY SPLIT A PARCEL)

AREA 6 - SPHERE REDUCTION
 AREA OUTSIDE CREST FOREST
 COMMUNITY SPHERE
 (AREA ALSO CURRENTLY SPLIT PARCELS)

AREA 3

AREA 2

AREA 8

AREA 7

**SEE
 DETAIL**

-  Crestline Village Water District
-  Crestline Village Water District Sphere
-  Proposed Sphere Expansion Areas

**LAFCO 3114 – SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR
 CRESTLINE VILLAGE WATER DISTRICT**

