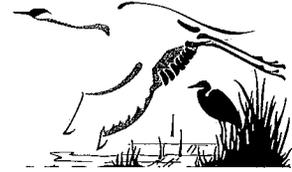


**TOM DODSON & ASSOCIATES**  
2150 N. ARROWHEAD AVENUE  
SAN BERNARDINO, CA 92405  
TEL (909) 882-3612 • FAX (909) 882-7015  
E-MAIL tda@tdaenv.com



June 26, 2010

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

RECEIVED  
JUN 28 2010

**LAFCO**  
San Bernardino County

Dear Kathy:

LAFCO 3107 consists of a service review for the Crestline-Lake Arrowhead Water Agency (Agency) pursuant to Government Code Section 56430 and Sphere of Influence Update pursuant to Government Code 56425. The Agency encompasses approximately 110 square miles generally bordered by a combination of section lines and parcels along Butler Peak and Slide Peak (Snow Valley Ski Resort area) on the east; a combination of section lines and parcel lines along Sugarpine Mountain Monument, Marshall, Arrowhead, Mill and Keller Peaks (generally along Highway 18 and Highway 330) on the south; a combination of section lines and parcel lines generally along Cajon and Cleghorn Mountains on the west; and a combination of section lines and parcel lines along Silverwood Lake, Pilot Rock, Mt. Marie Louise, Deer Mountain, and Ingham Peak on the north. The Commission staff is recommending that the existing Sphere and services of the Agency be retained in its current configuration and scope. As we have learned from previous sphere and service reviews, the designation of a sphere and retention 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 district does a potential for physical change in the environment occur.

The effects of the sphere and service review for the Agency to the existing sphere does not appear to have any potential to alter the existing physical environment in any manner. Verification of the current Agency Sphere and Services does not have any potential for causing physical changes in the environment. Therefore, I recommend that the Commission find that a Statutory Exemption (as defined in the California Environmental Quality Act, CEQA) applies to LAFCO 3107 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 3107.

In this case, adopting the existing Sphere and service scope of the Agency does not alter the existing operations or obligations of the Agency and does not adversely affect any existing physical facilities. Based on this review of LAFCO 3107 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3107 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 3107 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,



Tom Dodson