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LAFCO
San Bernardino County

June 30, 2011

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

Dear Kathy:

LAFCO 3129 consists of a service review for the Big Bear Municipal Water District (District) pursuant to Government Code Section 56430 and Sphere of Influence Update pursuant to Government Code 56425. The District study area encompasses approximately 125 square miles generally bordered by a combination of section and parcel lines along Round Mountain, Granite Peaks and Onyx Summit on the east, a combination of section and parcel lines along Sugarloaf Mountain, Clarks and Snow Summits on the south, a combination of section lines along Slide and Butler Peak on the west, and a combination of section lines along White Mountain, West Fork Dry Canyon, Wild Rose Canyon and Silver peak on the north. The area includes the City of Big Bear Lake, Big Bear Lake itself, and the unincorporated communities of Big Bear City, Fawnskin, Sugarloaf, Moonridge, Baldwin Lake and Erwin Lake.

The Commission staff is recommending that the Commission consider a reduction of the existing sphere by approximately 11,100 acres to coincide with the Commission's definition of the Bear Valley community. The recommendations include the following actions.

1. Reduce the District's existing sphere by approximately 4,480 acres (Area 1)to exclude the northwestern sphere area outside of the redefined Bear Valley community;

2. Reduce the District's existing sphere by approximately 640 acres (Area 2) to exclude the southwestern sphere area outside the redefined Bear Valley community;

3. Reduce the District's existing sphere by approximately 640 acres (Area 3) to exclude the southern sphere area outside the redefined Bear Valley community;

4. Reduce the District's existing sphere by approximately 5,340 acres (Area 4) to exclude a section along the northeastern sphere area outside the redefined Bear

Valley community; and

5. Modify the District's service description to its Water function by adding "conservation," and "retail" and the Fire Protection function to include "lake patrol," and affirm the remainder of the functions and service descriptions for the District.

The Commission also has the option of retaining the existing sphere in its current configuration.

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 agency does a potential for physical change in the environment occur.

The effects of the sphere and service review for District, retain the existing Sphere or reduction of the current Sphere as outlined above, does not appear to have any potential to alter the existing physical environment in any manner. Affirmation or reduction of the current Sphere 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 3129 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 3129.

In this case, reducing the existing Sphere or retaining the existing sphere and modifying the service description does not alter the existing District operations or obligations and does not adversely affect any existing physical facilities. It modifies a planning boundary only. Based on this review of LAFCO 3129 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3129 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 3129 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

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